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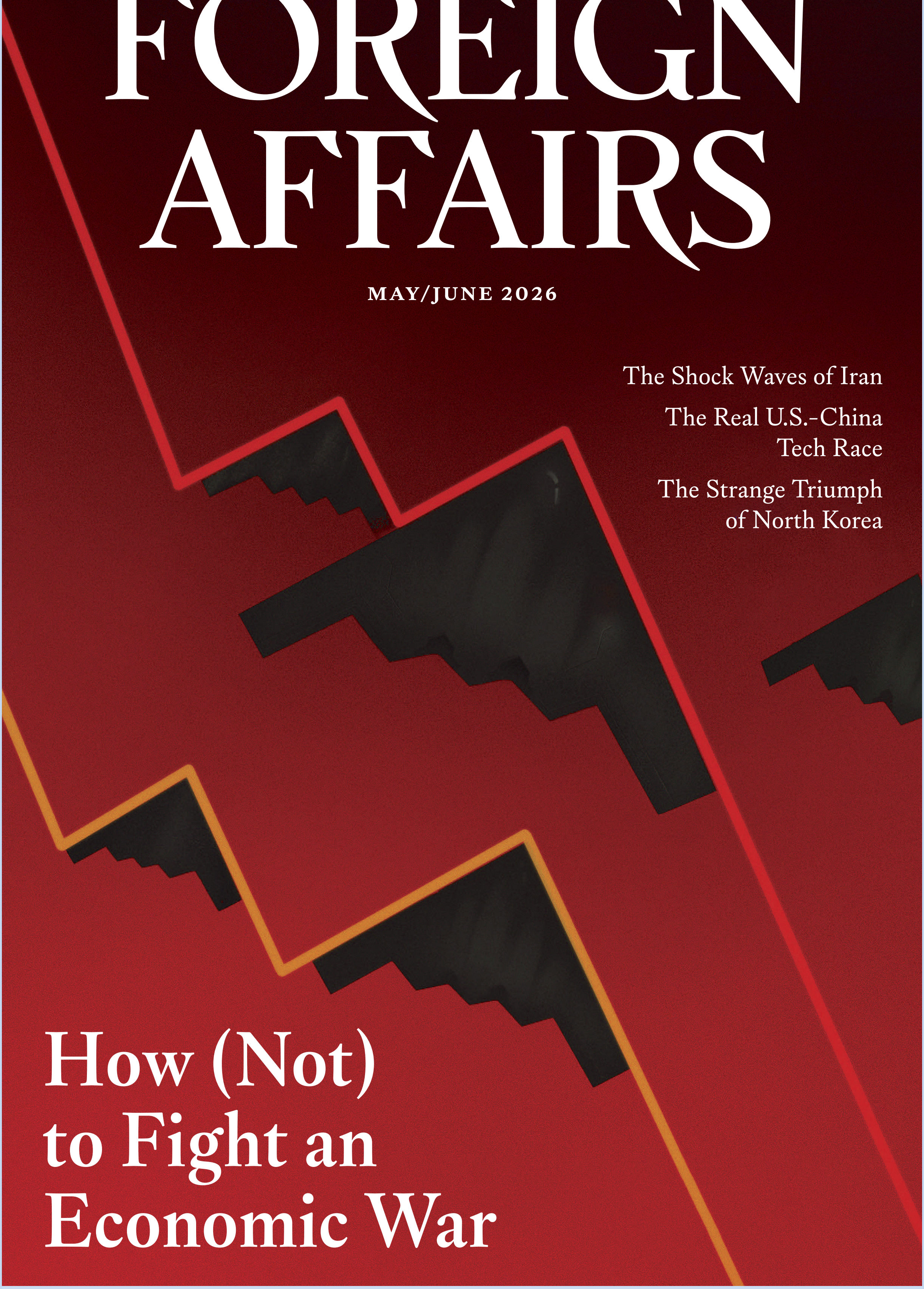

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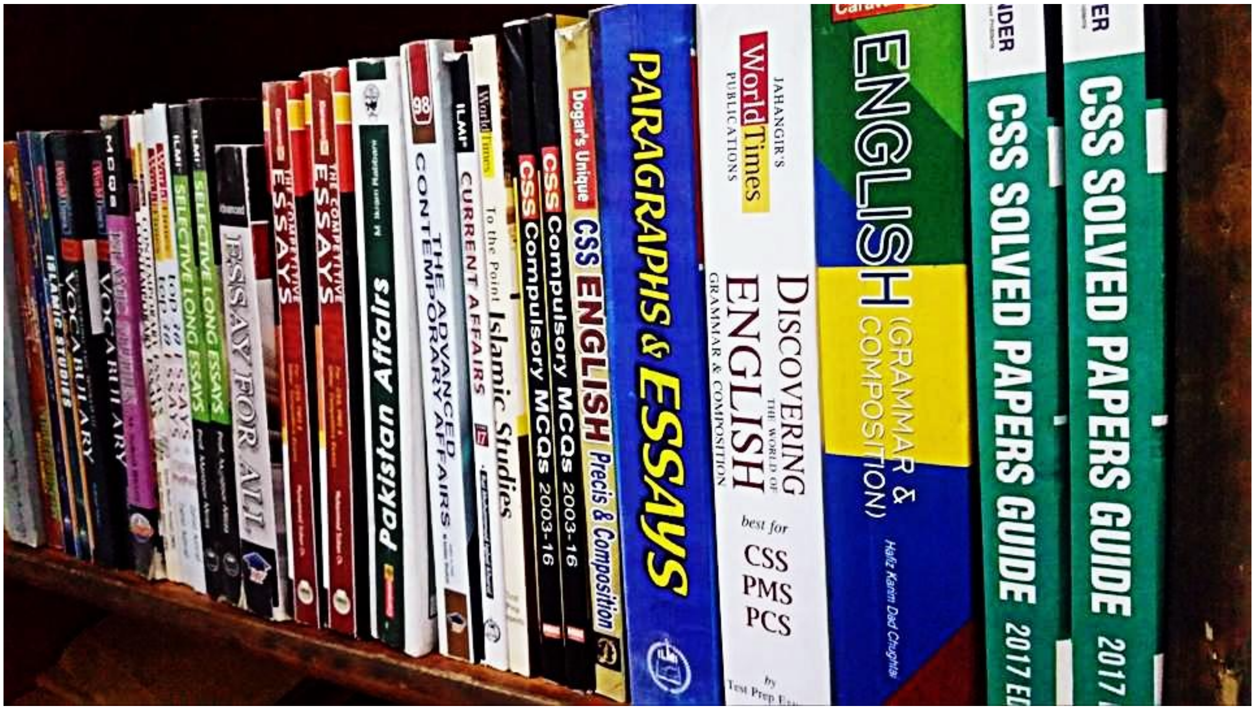
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The Real War for Iran's Future

Who Will Determine the Fate of the Islamic Republic?

AFSHON OSTOVAR

On March 1, 2026, the Iranian government made it official. "After a lifetime of struggle," a state broadcaster declared, "Iranian Supreme Leader Ali Khamenei drank the sweet, pure draft of martyrdom and joined the Supreme Heavenly Kingdom." The broadcaster praised Khamenei for being "unceasing and untiring" and for his "lofty and celestial spirit." As he read the announcement, people offscreen wailed. When he finished, he, too, broke down in tears.

Most Iranians probably didn't cry when they learned of Khamenei's passing. For over 35 years, Iran's supreme leader ruled with an iron fist, repressing women, minorities, and anyone who dared challenge him. But the dramatic wording of the death announcement was, in a sense, warranted: more than anyone else, Khamenei is the architect of the Islamic Republic and all it has entailed. Although it was Ayatollah Ruhollah Khomeini who established the theocracy by seizing power during Iran's 1979 revolution, it was his successor who transformed it into the country it is now. It was Khamenei who ensured that the supreme leader remained Iran's paramount authority in practice, not just in principle. It was Khamenei who pushed Iran to pursue regional hegemony, thus committing it to perpetual conflict with Israel and the United States. And it was Khamenei who transformed the Islamic Revolutionary Guard Corps (IRGC), once a military with an uncertain future, into the central pillar of the government.

The Iranian elite moved quickly to name a replacement. Just over a week after his death, the Assembly of Experts, the clerical body tasked with appointing the supreme leader, announced that Khamenei's son, Mojtaba, would assume the position. But speed and lineage will not prevent a power vacuum in Iran. Only the elder Khamenei had the experience and standing required to keep the regime's various camps in check. As a result, Iran's top officials are now lining up to chart the country's future.

At the time of this writing, the actors best positioned to succeed are those

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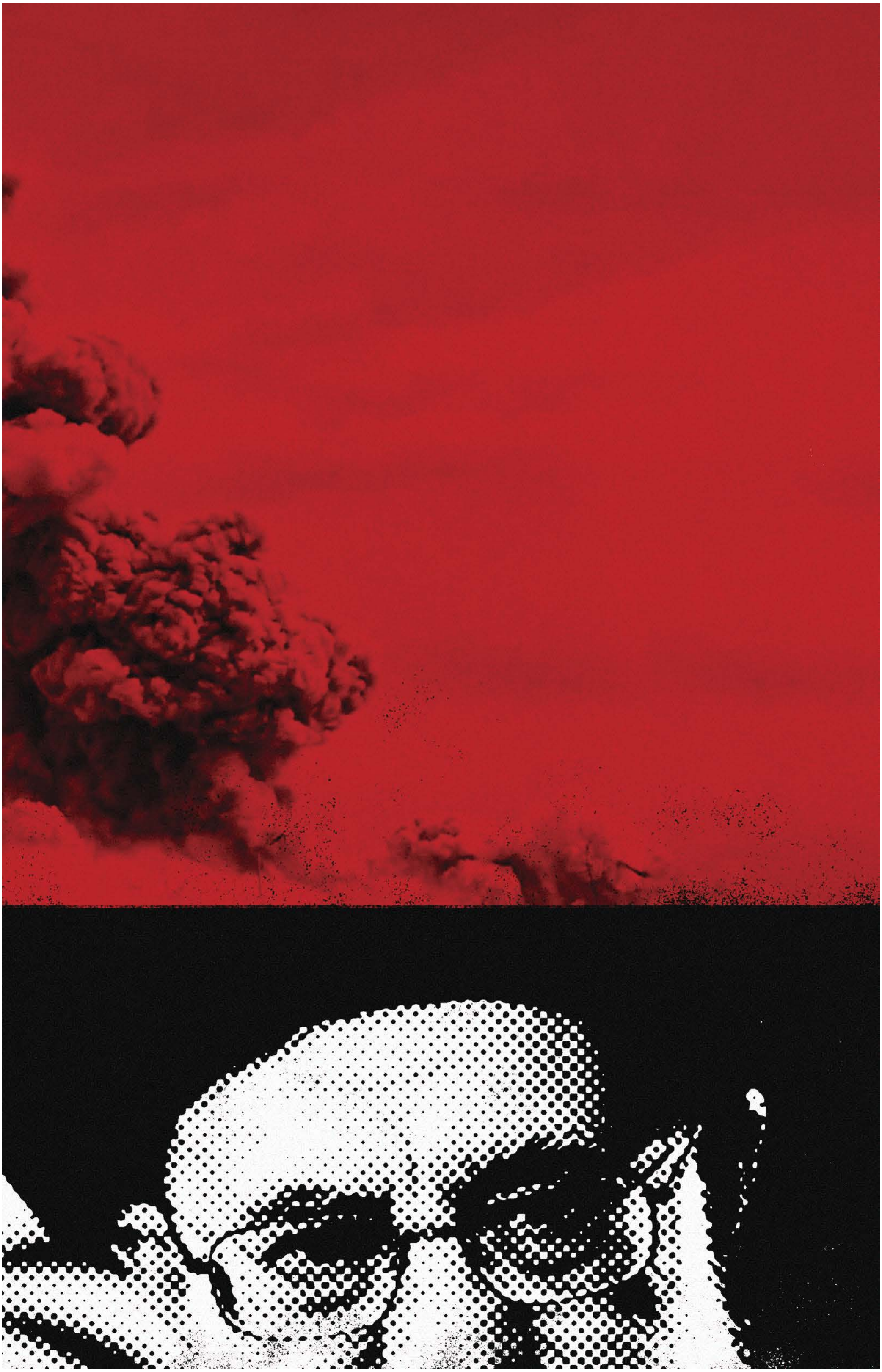

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affiliated with the IRGC, Mojtaba Khamenei included. As Iran's strongest armed actor, it has the resources to impose its will on the country's populace. This bodes poorly for Iran. The IRGC's leaders are, for the most part, hard-liners who thrive in perpetual conflict with both external and internal forces. If they solidify power, Tehran will remain reflexively antagonistic toward Israel, the United States, and pro-democracy elements inside the country.

But this future is not foretold. The IRGC's unbending policies have clearly failed to protect the country, much less benefit its people, and have long been seen by the regime's reformists as a dead end. And there are many reformists, including current officials and former presidents, who could chart a more accommodating course. If they can shape the state, the regime might agree to trade its nuclear program and regional aggression for economic relief and development.

The pragmatists have an uphill fight. Unlike the hard-liners, they have little armed power. They have also lost trust with the Iranian people for either weakly condemning or outright backing the regime's brutal suppression of popular protests. But Iran is in chaos, and reformist insiders have the experience needed to guide the government onto more stable ground. They can capitalize on the fact that the hard-liners' ranks have been decimated by U.S. and Israeli strikes to take the reins of power. To do so, however, they must appeal to Iran's frustrated, long-suffering citizens by promising a more peaceful, prosperous, and politically free future.

WATCH THE THRONE

Ali Khamenei was never supposed to be Iran's supreme leader. During the country's revolution, he was just one of many acolytes of Khomeini. His status as a midlevel cleric, one more interested in politics than scholarly production, put him beneath the lofty religious standards Khomeini demanded of future rulers. Khamenei quickly made powerful allies and gained prominence, and he was elected president in 1981. But at the time, the charismatic rule of Khomeini had rendered the presidency a tertiary position. It was Akbar Hashemi Rafsanjani, the speaker of parliament, who was Khomeini's most trusted hand.

But Khomeini and his inner circle sidelined clergy who could challenge his religious authority. Grand Ayatollah Kazem Shariat-Madari, for example, was fired from his position as the head of the Qom Seminary, a major center of Shiite clerical authority, and placed under house arrest by Khomeini's deputies. The supreme leader likewise turned against his original appointed successor, the more progressive-minded Ayatollah Hussein Ali Montazeri, for openly defying him on a number of issues, including by opposing the execution of thousands of political prisoners at the end of the Iran-Iraq War in 1988. As his health failed in 1989, Khomeini thus found that there were no viable potential successors who had the requisite religious credentials, the correct politics, and sufficient support among the rest of the regime. He then had the constitution rewritten so that any midlevel cleric who backed Iran's Islamist system of rule and was knowledgeable about the country's geopolitical conditions could succeed him. These changes allowed Khomeini's younger lieutenants to compete for his throne—Khamenei among them.

Even then, Khamenei's ascension remained far from assured. Instead, the leading candidate was Rafsanjani. Indeed, Rafsanjani probably could have secured the position had he not decided that he would rather be Iran's president after Khomeini died. In Rafsanjani's view, the supreme leader's office would become far less consequential after Khomeini's death, and the presidency would become the position with the most authority. He was thus happy to cede the supreme leader's office to his friend Khamenei, and indeed lobbied Khomeini and the Assembly of Experts on Khamenei's behalf.

It worked. Khomeini died on June 3, 1989, Khamenei was appointed his successor the day after, and Rafsanjani was elected president the following month. But if Rafsanjani thought he was on a glide path toward becoming Iran's uncontested authority, he was mistaken. The two senior officials were soon at odds over postwar policy and locked in a power struggle.

At first, Rafsanjani had the edge. He was the most capable of Khomeini's disciples and the most cunning politician in Iran. He also had a clear agenda for rebuilding the country's crumbling economy and infrastructure. By comparison, Khamenei had no clear plan. More troubling, he had little legitimacy. Whereas Rafsanjani became president by winning an election and Khomeini became supreme leader by leading a revolution, Khamenei gained his position through backroom dealing. He had no popular support.

But Khamenei recognized his weak standing and set about finding a group that could shore him up. He did not need to look long: the IRGC was similarly searching for a new political partner. The organization had helped Khomeini defeat his rivals after the revolution, but the destruction and high costs of the war with Iraq had damaged its standing, and Rafsanjani was moving to curb its influence. Khamenei, however, was happy to help it maintain and expand its position. Khamenei thus threw his weight behind the Revolutionary Guards' domestic agenda, which sought to refocus society around conservative Islamic mores. He used the authority of his office to give IRGC commanders a bigger voice in domestic politics and more power in Iranian society. The IRGC, in turn, used its armed might to coerce and arrest reformist figures, including those aligned with Rafsanjani. When Rafsanjani left office after two terms, the presidency had lost much of its luster.

By the start of the millennium, the symbiotic relationship between Khamenei and the Guards had fully secured the rule of hard-liners in Tehran. The IRGC repeatedly put down pro-reform demonstrations and student protests. It blocked Rafsanjani's reformist successor, Mohammad Khatami, from making any meaningful changes to the country. Even Mahmoud Ahmadinejad, a fellow hard-liner who served as president from 2005 to 2013, was marginalized by Khamenei and the IRGC for attempting to restore influence to the executive branch. Only Khamenei and the Guards could hold real power.

DELUSIONS OF GRANDEUR

The supreme leader's partnership with the IRGC worked, in part, because of their shared conservative Islamist domestic agenda. But it also worked because of their coalescing perspectives on global affairs. Both sought to make Khomeini's view of the world—in which the United States was the leading enemy of Islamic civilization and Israel was the primary mechanism of American influence—central to Iran's foreign policy. The "liberation of Jerusalem"—that is, the defeat of Israel as a Jewish state—and the overturning of the American-led international order became their chief causes.

At first, progress proved fitful. Iran's drive to export its Islamist revolution lost momentum amid the war with Iraq. The 1990s turned into a period defined by domestic issues, and the IRGC's foreign operations were mostly reduced to carrying out acts of terrorism. Yet the IRGC remained ambitious, and when the United States invaded Afghanistan in 2001 and Iraq in 2003, their fortunes changed. Both operations created open-ended conflicts ripe for exploitation, and Iran, which borders both states, was perfectly positioned to take advantage of the regional upheaval. The IRGC thus quickly began clandestine interventions. In Afghanistan, it played both sides of the conflict but ended up supporting factions of the Taliban, providing them with funds and arms. In Iraq, Tehran cultivated new militias to fight American forces. When U.S. troops left Iraq in 2011, these linkages remained, and Tehran became the most powerful external player in Baghdad. The success in both places gave Iran a template. As the Arab Spring swept across the region in the 2010s and set off new conflicts, the IRGC exploited the instability to forge relationships with various armed actors, intervening in Syria to save Bashar al-Assad's government from collapse and later helping the Houthis rise to power in Yemen.

Khamenei's assertive foreign policy was matched by his ambition to make Iran a great military power. The regime invested heavily in weapons that allowed Iran to threaten its enemies from a distance, leading to the development of sophisticated missile and drone programs. The regime also worked to master nuclear enrichment. Although Tehran consistently denied it was trying to produce nuclear weapons—Khamenei even issued a religious edict banning them—the program's advancement went well beyond what was needed for civilian use. At a minimum, Iran's nuclear endeavors gave the country the material and know-how needed to build a bomb.

For a time, this strategy proved effective. By the early 2020s, Iran was the dominant political actor in a wide swath of the Middle East, including Iraq, Lebanon, and Yemen. Iran's expansionism and the conflicts it produced further empowered the IRGC inside the regime, transforming it into the dominant voice in foreign affairs. Its expansive security-related schemes also allowed it to control an outsize portion of the Iranian economy.

The costs of this approach, however, were extraordinary. Massive military outlays, for example, prevented Tehran from investing in Iran's people. The country's nuclear and missile programs resulted in severe U.S. sanctions. Iran's economy thus declined while inflation soared. Iranians started protesting against their unelected dictator—first in 2009, then sporadically from 2017 to 2022, and, most recently, in December and January.

Eventually, Tehran began facing international setbacks. After Hamas, another Iranian ally, struck Israel on October 7, 2023, the Jewish state dispensed with its previous reluctance to destroy the Islamic Republic's capacities. Over the next two years, it repeatedly struck Hezbollah, IRGC positions in Syria, and the Houthis. Finally, it took out many of Iran's air defenses and missile production sites and, with the help of the United States, bombed and buried many Iranian nuclear facilities. In February 2026, the two countries attacked again, killing Khamenei and other prominent officials and massively degrading Iran's entire military and security apparatus.

CRISIS OF FAITH

Khamenei's death has opened the door to change within Iran. But so far, its main consequence has been the empowerment of the IRGC. By the time he was killed, Khamenei was the only remaining check on the group's whims, ensuring that although the IRGC got what it wanted most of the time, it was never totally triumphant. Now, it has no peer. Whether Mojtaba Khamenei lasts or not (as of this writing, U.S. officials say he is injured), the supreme leader's office will no longer have the standing to impede the Guards' agenda. The new supreme leader will be as much an agent of the IRGC as its overseer.

This, in turn, could mean that Iran's elected officials have less power than ever. Under Khamenei, Iran's executive branch would occasionally defy the IRGC; the supreme leader, for example, let President Hassan Rouhani, a reformist who served from 2013 to 2021, negotiate and sign the 2015 nuclear deal with the United States despite the Guards' objections. Today's reform-minded president, Masoud Pezeshkian, is in a much weaker position.

Iran's most likely future is thus a military-controlled authoritarian state with a theocratic figurehead. Such a government would almost certainly be belligerent. The IRGC is dominated by hard-liners, so it is primed to keep confronting Israel and the United States and to steer what's left of the country's economy into rebuilding the military. To help, these officials would likely seek assistance from China and Russia, Iran's two main patrons.

But this path comes with serious challenges. Beijing and Moscow are preoccupied with their own foreign policy problems and must balance their connections to Iran with their relations to Arab states, which are now furious with Iran for attacking them in retaliation for the United States and Israel's strikes. They are unlikely to help Iran reclaim its lost regional influence. Tehran, meanwhile, is broke. It cannot afford to quickly build back its military, create new subterranean infrastructure to restart its nuclear program, or rearm its proxies, particularly all at once. In the meantime, its aggression and its allergy to compromise will only invite future attacks. And as much as the regime finds comfort in its unimaginative rhetoric of resistance, tough talk will not address the extreme disaffection of the Iranian people or quell future episodes of unrest. To stay in power, regime officials will have to keep relying on violence.

The IRGC doesn't mind this. To its leaders, staying in power on their own terms is all that matters; the lives of ordinary Iranians are unimportant. They are energized by their anger at Israel and the United States, and that anger has grown exponentially thanks to the war. But not everyone in the regime wants Iran's future to look like its past, especially given that its policies helped lead to disaster, and some of them are willing to push for a different trajectory. That includes Pezeshkian. In March, in the midst of the war, the president asked the IRGC to work with his government to preemptively address Iran's dire postwar economic situation. According to reporting by IranWire, when a young IRGC officer brushed Pezeshkian off during a meeting, declaring that a perpetual state of emergency would be good for Tehran because it would ensure that no Iranians "dare to voice dissatisfaction," the president was incredulous. "That is no answer!" he shot back. "Does it mean that once the war is over, we must kill another round of protesters? Is this what you call planning?"

That doesn't mean prying Iran away from the IRGC will be simple, given its raw coercive capacity. But although the Guards' relative power within Iran has increased since the attacks began, their absolute power has been diminished. It was, after all, the IRGC's strategy and policies that led Iran to the brink of defeat, bankrupted its economy, and turned vast swaths of the Iranian people against the regime. That has cost the corps internal political capital, making it vulnerable to attacks from critics within the regime. It has gained authority now that Ali Khamenei is no longer around to serve as a check. But his death also costs the IRGC its biggest and most powerful supporter.

The IRGC may also struggle to muster its coercive capacities. The war has ravaged its ranks, including by killing many of the most capable personalities, such as Ali Larijani, a top security official, and Ali Shamkhani, a senior adviser to the elder Khamenei. Meanwhile, the most competent reform-minded leaders were mostly spared. That includes Pezeshkian, Rouhani, and Khatami, the last of whom remains the country's most prominent reformist. It also includes Ahmadinejad, who reinvented himself as a critic of the status quo after his presidency and was effectively placed under house arrest. (The U.S. and Israeli strikes may have helped free him from confinement.) Last, it could include outwardly hardline associates of the IRGC who are less dogmatic, such as the speaker of parliament, Mohammad Baqer Qalibaf, who has tried to brand himself as a pragmatic manager and has enough clout inside the system to change it. These officials are all canny operators, and they could exploit the newfound looseness in Iran's regime to push for change. They could do so by unifying the state, working behind the scenes to galvanize support for a different path forward, and taking their case to the public. If these figures can come up with a clear plan to improve the country's economy, resolve its insecurity, and ease social pressures—all in service of preserving the theocratic system—the IRGC might struggle to ignore them.

CHANGE YOU CAN BELIEVE IN

There is a final group that could force Tehran to change course: ordinary Iranians. They are the most powerful potential source of national legitimacy. They have not yet had a true champion within the government, but there has never been a better opportunity for someone inside the regime to act as one. In fact, the best chance for an enterprising regime insider to either circumvent the IRGC or force it to change would be to appeal directly to the people.

The mass protests of the past have not brought about substantial reforms. But Iranian society still has classes with real influence. One is the country's small merchants, or *bazaaris,* who make up a small percentage of Iran's population but control the traditional economy and important urban centers. During the first two decades of the Islamic Republic's history, the *bazaaris* were the theocracy's most important constituency, yet years of economic instability have eroded their support for the regime. Similarly, Iran's many trade unions and guilds have influence over Iran's energy and transportation sectors and have suffered from the country's decline. If the bazaaris and the labor groups united, they could bring much of the economy to a halt through strikes and boycotts.

Iran's younger generation could also prove to be a potent ally. The young have no connection to the 1979 revolution and know the regime only for corruption and cruelty. Their lives have been shaped by decades of conflict and privation. They have led most of the recent protests and have suffered the most from the regime's violent campaign against dissent. Yet they are still the most politically energized demographic. An enterprising politician pushing for change could gain millions of enthusiastic followers by successfully motivating this cohort.

If Iran's pragmatists or reformists do manage to gain power, the country's future could look much different from its past. Its new leaders would likely focus on improving the economy and broadening the government's base of support, a task that would force them to search for ways out of perpetual conflict with Washington. They might therefore pursue either a grand settlement with the United States or a series of compromises that together produce concessions on the nuclear and military fronts in exchange for sanctions relief. Doing so would give Iran's people a reason for hope and, by extension, less desire to rebel.

The United States should try to help empower these more pragmatic elements in ways beyond simply killing their hard-line competitors. Washington should, for example, engage diplomatically with whoever is willing to talk. Having a direct line to Washington would by itself give pragmatic elements more potential influence inside the system. The United States should also proactively offer measured inducements to Iran, such as targeted sanctions relief, in exchange for its willingness to compromise on key areas. Even the more moderate Iranian leaders are unlikely to accept maximalist demands from Washington, but they could agree to incremental steps that initially focus on the nuclear issue and later expand to the military and foreign policy. U.S. officials could also push Iran to allow for greater social freedoms and to end the persecution of religious minorities—steps that would reduce anti-regime sentiment within Iranian society.

Such measures would not be a panacea. The regime's pragmatists are hardly advocates of democracy; even though it was the hard-liners who drove Iran into the ground, the country's moderates were fully complicit. But despite all the bombings, the regime remains intact, and there is no viable alternative that is ready to replace it. As a result, the most effective way to transform Tehran for the better is to work with insiders who support change. They know how the system works and how to work the system. And after decades of dominance by ultraconservatives, Iran's tumult means these moderates finally have a shot at enacting change.

The Third Islamic Republic

A War's Unintended Consequences—for Iran, the Middle East, and the Global Order

SUZANNE MALONEY

At a February 2026 gathering to commemorate the revolution that ushered in Iran's Islamic Republic, the country's supreme leader, Ayatollah Ali Khamenei, struck a reflective note. He remarked that it had been "a strange year," alluding to Israeli and American attacks on Iran's nuclear program eight months earlier, and offered an extended justification of the unprecedented violence deployed by regime enforcers to suppress mass protests that had erupted in late December. He described the unrest as an attempted coup orchestrated by Israel and the United States and boasted that it had been "crushed under the feet of the Iranian nation."

Predictably, Khamenei then turned to the United States, the regime's foremost adversary and a frequent focus of his invective. He dismissed "the crumbling U.S. empire" and President Donald Trump's threats of military action against Iran, insisting that "the Americans themselves who are constantly threatening that there will be a war . . . know that they don't have the staying power for such a thing." He added that "the U.S. President has said that for 47

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years, the United States hasn't been able to eliminate the Islamic Republic . . . . That confession is true. I say, 'You, too, won't be able to do such a thing.'"

These would prove to be some of Khamenei's final public statements. Eleven days later, the United States and Israel launched coordinated airstrikes on Iran that killed him, along with members of his family and several senior military and political leaders. It was the first salvo in a war that would methodically degrade Iran's navy, air force, and ballistic missile program, as well as its broader security infrastructure and defense industrial base. "When we are finished, take over your government," Trump told the Iranian people in his address announcing the start of the campaign. "It will be yours to take."

But as thousands of American and Israeli strikes pummeled the country, Iran's leaders managed to regroup, installing Khamenei's even more hardline son Mojtaba as his successor. And Tehran immediately began retaliating with missile and drone strikes that targeted American military bases and the economic and energy infrastructure of Iran's neighbors. U.S. Secretary of Defense Pete Hegseth derided Iran's response as "indiscriminate targeting, flailing recklessly." But Tehran's strategy soon became clear: its attacks had effectively closed the Strait of Hormuz, the strategic waterway through which one-fifth of the world's oil and liquefied natural gas exports pass.

The Islamic Republic's defiance and its geographic chokehold on the global economy dramatically intensified and expanded the crisis. For the Islamic Republic, the strait provides the ultimate insurance policy. Tehran cannot defend either its leaders or its territory against its adversaries, but it can impose unbearable costs on its neighbors and on the global economy. As Khamenei himself previewed, that leverage is a lifeline: neither Washington nor the rest of the world can withstand a prolonged reduction in oil supplies. And with supplies of fertilizer, helium, and other key commodities also limited by the strait's closure, the fallout from even a brief disruption will be felt in capitals around the world for months to come. For Iran's leaders, economic pressure is an effective way to protect the regime. As the conflict has intensified, Tehran has seized the opportunity to shift the postwar strategic balance in its favor, with the aim of ensuring that the regime emerges from this crisis stronger, both internally and externally.

More broadly, what Iran's leaders want is to push their country's revolutionary project forward, ushering in what might be described as the Third Islamic Republic of Iran. The first republic, helmed by the Ayatollah Ruhollah Khomeini, was a revolutionary experiment that sought to impose religious rule at home and destabilize its neighbors. Ali Khamenei's rule launched the second republic, which institutionalized the dominance of the supreme leader's office and empowered the military through its role in reconstruction after the Iran-Iraq War of the 1980s. In engineering Mojtaba's rise, the regime is seeking to establish the third republic: an explicitly praetorian state, with the Islamic Revolutionary Guard Corps and the wider security apparatus firmly in control of decision-making over all aspects of governance, society, and foreign policy.

This is a grandiose ambition, and perhaps an act of overreach that will fail, especially given the gaping voids between the Third Islamic Republic's goals, the aspirations of its people, and the interests of its neighbors. Still, this regime has repeatedly demonstrated endurance, resilience, and a determination to preserve the regime by any means necessary. Those qualities, and the American and Israeli failures to appreciate them, may allow Iran to snatch a victory—albeit possibly a Pyrrhic one—from the jaws of defeat, and to deal a historic blow to the international order that Washington helped build and, until recent years, sought to sustain.

TEHRAN TURNS THE TABLES

For Tehran, the latest U.S.-Israeli war came as a shock, but not a surprise. After the 12-day war in June 2025, which buried the crown jewels of Iran's nuclear program deep underground, Iranians appreciated that additional strikes were a question of when, not if. When the more intense bombardment began in February, Tehran quickly moved up the ladder of escalation: from small-scale strikes against the soft targets within reach in neighboring states, to more direct targeting of economic and energy infrastructure, and finally to high-stakes brinkmanship by choking off transit through the Strait of Hormuz.

Iran's readiness to escalate underscored the regime's preparation for the conflict and its willingness to assume risks, as well as the resilience of Iran's deliberately decentralized defense doctrine. "We've had two decades to study defeats of the U.S. military to our immediate east and west," Abbas Araghchi, Iran's foreign minister, boasted on social media, referring to the American wars in Afghanistan and Iraq. "We've incorporated lessons accordingly. Bombings in our capital have no impact on our ability to conduct war. [Decentralization] enables us to decide when—and how—[the] war will end."

As the comedian Jon Stewart quipped in mid-March, "War is God's way of teaching Americans geography," and within days of the first U.S. and Israeli strikes, Tehran's counterattacks on maritime traffic in the Strait of Hormuz quickly provided a refresher course on that critical artery. Almost overnight, traffic in the strait was severely curtailed, pushing up the price of oil, petrochemicals, and other key commodities and jeopardizing economic growth and stability around the world. Iran applied its coercion with tactical finesse: by maintaining a trickle of its own exports and exempting favored partners such as China from attacks—although charging some a premium for access, according to press reports and Iranian officials—Iran has maintained its revenue flows and strategic partnerships.

Leveraging its geographic position to threaten global energy markets also put time on Iran's side. Trump initially downplayed the war as "a little excursion," seeming to expect an abbreviated timeline, like that of the 12-day war. According to *The New York Times,* Israeli officials had persuaded the White House that decapitating the regime's leadership would inspire a new round of protests that could somehow topple the revolutionary state. As of this writing, nothing of the sort has occurred. Instead of the brief war and

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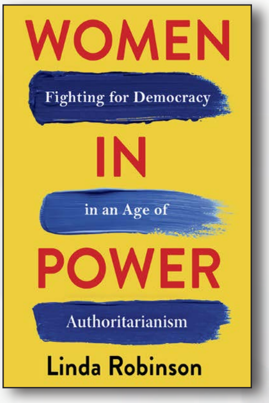
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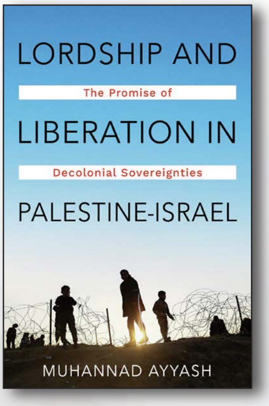
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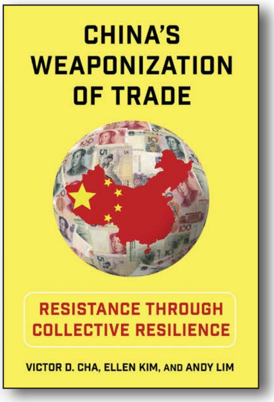
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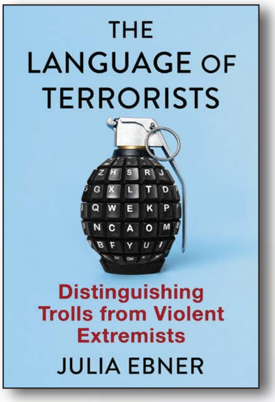
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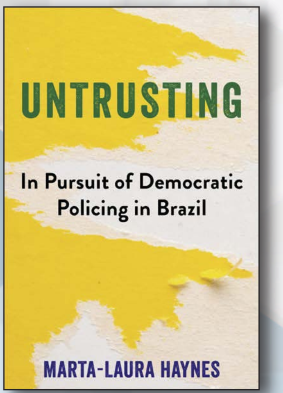
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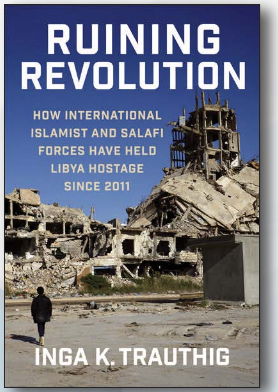
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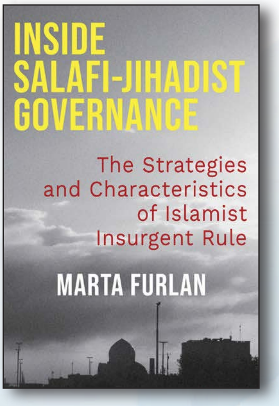
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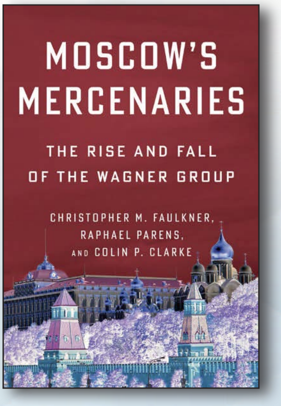
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rapid regime collapse that the United States and Israel anticipated, what emerged was a bloody and costly fight in conditions that have allowed Iran to dictate when the conflict would end.

Every day of disruption in the strait ratcheted up the urgency and prospective impact of the crisis—and for Iranian leaders, increased the potential rewards. This high-risk strategy was intended to force not just an end to the war but also a lasting improvement in Tehran's economic and regional sway. Mohammad Baqer Qalibaf, the speaker of the Iranian parliament and a significant leader within the regime, pledged that Iran would continue retaliating "until the enemy truly regrets its aggression," adding, "We believe this war will change many regional relationships, and we will not return to the conditions that existed before it. We are prepared to conclude lasting security agreements with countries in the region that can provide mutual guarantees and create stable, sustainable security for investors." In this way, Tehran made clear that any future cooperation must be predicated on the submission of its regional rivals—as well as on the premise of shared prosperity.

It may be tempting to dismiss this rhetoric as the death knell of a regime too intoxicated by its own ideology to recognize the collapse of its options. But the regime's perseverance in the face of crushing American and Israeli bombardment also recalls the fervor and determination that sustained the revolutionary state at previous times of systemic precarity. A recent refrain among American and Israeli pundits and policymakers holds that the Iranian regime is weaker than at any point since 1979. In fact, this is not quite accurate; the regime has experienced fiercer challenges to its survival from its inception. The foundational narrative of the Islamic Republic emphasizes that the revolution was improbable, imperiled, and embattled. The revolutionary generation lived through sustained and widespread turmoil in the state's early years, including institutional disarray, purges and vicious power struggles, urban street fighting, tribal uprisings, deadly terrorist attacks, crippling economic pressure, a coup attempt, and the devastating Iraqi invasion in September 1980.

Despite all this, the revolution survived and managed to push out Saddam Hussein's forces and take the fight to Baghdad. The war ended without victory; nonetheless, its legacy further entrenched narratives of sacrifice, faith, and ingenuity in defense of the nation. And the war became the proving ground for Iran's doctrine of deterrence through asymmetric capabilities and its investment in a domestic defense industrial base.

LIKE FATHER, LIKE SON

The setbacks that Tehran has suffered over the past two years have indeed been severe and seemingly inexorable: its proxy militia network demolished, its nuclear ambitions buried by American and Israeli bombing, its citizens willing to risk their lives in hopes of a new revolution. But as their predecessors saw during the Iran-Iraq War, regime stalwarts sense an opportunity to fight back, crack down under the banner of a new sacred defense of the Iranian homeland, and add a new chapter to the history of their revolution.

Just as their predecessors did in the 1980s, the leaders of the Third Republic will lean heavily on a war to reconsolidate power, using the conflict as a pretext to impose de facto martial law while attempting to galvanize an intensely chauvinistic national mood, or at least coerce people into performing one. Today's regime enforcers have far more sophisticated tools at their disposal; as soon as the conflict erupted, Iran's security services began deploying electronic surveillance and text messaging to preemptively subdue any temptation among the public to return to the streets. And in case the message was unclear, the regime also maintained a brisk pace of executions.

The war has also helped ease what might have been a difficult succession process. After the unexpected death, in 2024, of President Ebrahim Raisi, whom Khamenei had been grooming as a successor, there was no obvious candidate who enjoyed the requisite administrative experience, religious stature, and the trust of regime elites. In ordinary times, Mojtaba Khamenei would have been a controversial choice; his own father is said to have opposed Mojtaba's appointment, wanting to avoid the appearance of dynastic rule.

At a moment of existential crisis, however, the younger Khamenei presented the ruling system with a golden opportunity to leverage his father's legacy and reinforce the primacy of the Revolutionary Guards, with whom he had built a close rapport. Reports that Mojtaba may have been seriously injured by the initial U.S.-Israeli strikes in February only underscored the connection; his father was wounded in a 1981 terrorist attack that cost him the use of his right hand. As a "living martyr," Mojtaba's symbolic value is considerable. He can remain a cipher to the general public while the influential network that his father assiduously constructed over his nearly 37 years in office ensures that the essence of Khameneism—an unyielding commitment to the authoritarian religious state—remains ascendant.

For however long the regime survives, its leadership will be dominated by hardened reactionaries. If they can avoid Israeli targeting, an array of experienced security officials will guide the system and orchestrate its defense. Some may be willing to compromise, but they will find it difficult in a country under siege and will skew toward assertiveness and belligerence. Targeted assassinations can eliminate individual figures, but this is a cadre that the regime has invested in building for nearly half a century. Decapitation will not dismantle the system.

As a result, for the foreseeable future, Iran's hard-liners will face no true counterweights. They already control vast swaths of the Iranian economy, a position secured by exploiting reconstruction after the Iran-Iraq War and, in recent years, by leveraging the sanctions regime. The factional competition between the religious and republican elements of the postrevolutionary system has evaporated. The current president, Masoud Pezeshkian, offers a more affable image but wields almost no institutional power or policy sway. The last relative moderate who served as president, Hassan Rouhani, has been seeking a comeback but has so far found little traction. Many Iranians who have hoped for improvements in their government are frightened for the future. "This regime will become stronger, crueller, more monstrous even than before," a resident of Tehran told *The Wall Street Journal* in the early days of the war. "People don't have the weapons to fight back."

The regime's clerics and its security bureaucracy have always had a symbiotic relationship, underpinned by familial, political, and business cooperation and a common worldview. As the center of gravity within the system shifts in favor of the military, however, the regime's internal orientation will almost certainly evolve as well. It's possible that this will result in modest reforms, such as a less aggressive imposition of religious strictures, in line with the creeping relaxation of hijab enforcement that has been underway since the protests that erupted in 2022, after the death of Mahsa Amini, a young woman who was in the custody of the morality police.

WIN THE WAR, LOSE THE PEACE?

Although they may bend, Iran's power brokers are unlikely to break. Tehran has long deployed its geographic position to its advantage, routinely flexing its muscles against its neighbors and around the strait, but typically in fits of pique and with little evidence of strategic purpose. This time was different; Iran made clear to the world that it can impose painful costs on the global economy.

Iranians will be looking to the United States and its allies along their periphery, hoping for payback or a payout, or both. Tehran is counting on its ability to outlast its adversaries in hopes of driving a bargain that enables the regime not just to live another day, but ideally also to escape the stranglehold of Trump's "maximum pressure" sanctions, which have cratered its currency and fed its popular fury. They hope to use the war as an entry point for reestablishing their regional sway. Iranian leaders believe that the country is owed compensation for the immense damages sustained in what they see as an unjustified attack, and should they emerge from this war still in power, they intend to collect on that debt.

Iran's neighbors appreciate the ominous possibility that the war will end with an Islamic Republic that is weaker but also emboldened. An occasional drone crashing through the window of a luxury hotel or into a busy airport will be more than sufficient to raise the risk premium for investors and prompt second thoughts among tourists. Tehran has its neighbors over a barrel, quite literally, and few on either side of the Gulf are laboring under the illusion that this is a short-term problem. They will seek solutions that are both practical and durable.

On the other hand, if the war fails to accomplish its ostensible goal of evicting the Iranian regime, it's possible, perhaps even likely, that Tehran will miscalculate in the aftermath. The regime may have mounted an effective asymmetric counterattack that threatens to wreak havoc on the global economy, but its conventional military capabilities were largely destroyed, and the steady erosion of an entire echelon of senior leaders will take a significant toll on its operational and governing capabilities. And over the past 47 years, the postrevolutionary regime has rarely failed to miss an opportunity.

It's also possible that Tehran will win the war but lose the peace, as a result of its recalcitrance, unfounded optimism, or internal disarray, just as previous Iranian leaders did at a critical juncture in the war with Iraq. In June 1982, only days after successful Iraqi strikes on Iran's oil export facilities, the newly formed Gulf Cooperation Council, composed of most of Iran's Arab neighbors in the Persian Gulf, proposed a cease-fire; according to Associated Press reports at the time, the GCC offered $25 billion in reparations to Tehran—more than $84 billion in today's dollars—in exchange for Iran agreeing to end the war without launching an offensive to oust Saddam. Tehran insisted that the war damages amounted to six times that figure and ultimately refused to end the war. The following six years of conflict took an immense toll on the country, and the Islamic Republic failed in its quest to end Saddam's rule. This time around, if Tehran presses its advantage by trying to maintain or leverage its stranglehold on the strait, its neighbors and the world may be prepared to shoulder the extraordinary costs and risks of a conclusive defeat for the regime.

Finally, even if the Islamic Republic holds out through the active phase of conflict, the aftermath could spell its undoing. At present, there may be no coherent, competent political organization that can mount a meaningful challenge to even a war-weakened regime. But the tremors from the conflict will be long-lasting, and their impact will unfold and probably magnify over time. The thousands of U.S. and Israeli airstrikes will leave a massive reconstruction bill, and an even more radical, thuggish leadership in Tehran will struggle to navigate its internal antipathies and a region beset by instability and intensified hostility. The Islamic Republic's endurance may enable its leaders to dodge capitulation for now, but their victory may well sow the seeds of the regime's demise.

The Iran Imperative

How America and Israel Can Shape a New Middle East

AMOS YADLIN AND AVNER GOLOV

In early 2024, the Islamic Republic of Iran was riding high. It was the dominant external actor in four Middle Eastern states: Iraq, Lebanon, Syria, and Yemen. Its missiles and armed proxies menaced and coerced Arab countries. Israel, Tehran's main enemy, had been damaged by Hamas's October 2023 attack and was fighting a seven-front war against Iranian proxies. The Islamic Republic's nuclear program was moving steadily closer to producing a weapon as Iranian officials enriched uranium to 60 percent and expanded their ballistic missile manufacturing. Suddenly, the regime's long-standing calls for "death to Israel" and "death to America" seemed to have much more meaning. Iran appeared close to fulfilling its five-decade quest to become the most powerful country in the Muslim world.

Then, in April 2024, Israel struck a Quds Force meeting building situated adjacent to the Iranian embassy complex. The facility served as the operational headquarters for Brigadier General Mohammad Reza Zahedi, the commander of the Islamic Revolutionary Guard Corps' operations in Syria and Lebanon, who was responsible for coordinating Iranian-led terror activities against Israel. Iran, in turn, directly attacked Israel. And in the months that followed, it quickly became clear that Tehran's prior confidence was misplaced: the regime was much more vulnerable than it seemed. Israel, alongside France, the United Kingdom, and the United States, intercepted almost all of Iran's drones and missiles. Israel then destroyed Iran's air defense systems. Israeli forces dealt a severe blow to Hezbollah—Iran's most vaunted proxy—by killing its longtime leader and destroying many of its weapons. In June 2025, Israel launched a military strike against Iran's nuclear sites and ballistic missile facilities. Working with Washington, it bombed and buried much of Iran's enriched uranium. And in February this year, the United States and Israel

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again went to war with Iran, severely damaging more of its military and security infrastructure, striking the regime's defense production industries, and eliminating senior figures at the highest levels, including former Supreme Leader Ali Khamenei and his top deputy, Ali Larijani.

But despite these successes, not everyone in the United States is pleased. In fact, many American analysts believe the conflict has squandered U.S. resources in what is almost certain to be an unsuccessful attempt to change Iran's regime. Some also think the war has happened at the behest of the Israelis, and that the conflict has undermined the United States' reputation and churned through its munitions in order to weaken a country that is mainly a threat to Haifa, Jerusalem, and Tel Aviv.

But these objections are wrong. This was never a conflict of choice. Iran declared war on the United States (which it calls the "Great Satan") as soon as the Islamic Republic came into being, when regime affiliates stormed the U.S. embassy and held 66 diplomats hostage for over a year. Tehran has since killed, directly or indirectly, thousands of American troops. Even in its weakened state, the regime still menaced Washington's interests. Critics of this recent war also overlook its success. By greatly weakening Iran's radical regime, the conflict has given more pragmatic officials an opportunity to seize control while increasing the confidence and relevance of domestic opposition forces. It has accelerated the creation of a broad anti-Iran alignment that includes Israel, the United States, key Arab states—including Bahrain, Kuwait, Saudi Arabia, and the United Arab Emirates—and some European countries. It has, in other words, laid the groundwork for a better Middle East.

That does not mean a positive future is guaranteed. In Tehran, hard-liners are fighting to remain ascendant. Israel's regional status needs rehabilitation after the war with Gaza, which eroded trust between Israel and Arab countries. That is why it must deepen its cooperation with the United States. The two countries need to enmesh their defense bases and use their combined might to attack Iran until it can no longer meaningfully threaten its neighbors. They should jointly offer assistance and protection to Arab states that are struggling not just with Tehran but also with a host of environmental and economic challenges. By doing so, they can prove to the Arab countries that the safest bet is to partner with Israel and the United States rather than cozy up to Iran, China, or Russia. They can thus pave the way for Arab-Israeli normalization—and make sure Washington remains central to the region.

FINISH THE JOB

For years, the United States' approach toward Iran revolved around sanctions and diplomacy that had little impact. But when U.S. President Donald Trump returned to office in January 2025, he decided to be courageous and attack the regime. His administration's goals are to destroy Iran's ballistic missile capabilities and industrial base, prevent it from threatening regional waterways and energy infrastructure, avert any future nuclear breakout, and sharply reduce Tehran's capacity to fund, arm, and direct proxy forces across the region. These aims reflect long-standing American priorities: stabilizing the Middle East, avoiding proliferation, and maintaining freedom of navigation.

Israel, of course, shares this agenda. But it has reinforced, rather than displaced, the United States' role. Israeli forces have helped protect the United States and regional partners through intelligence sharing and strikes on Iran's missile program. In doing so, they have fought shoulder to shoulder with American troops as no state has since World War II—despite not being a formal treaty ally. The campaign has thus underscored that Israel is not merely a U.S. security consumer. Under certain conditions, it can function as a close and capable partner.

American and Israeli strikes have eroded much of Iran's capacity for destruction and coercion. But they need to make sure Iran cannot rebuild its capabilities. To do so, Washington will need to set up a verification and enforcement regime that can prevent Iran from constructing nuclear, chemical, and biological weapons and rebuilding its missile and drone capabilities. It can accomplish this by working with its regional partners, which all cooperate under U.S. Central Command, along with other states that have interests in the Middle East. Washington must also sustain maximum economic pressure on the current Iranian regime. It should maintain blockades and no-fly zones that ensure Iran does not again become a regional threat. Finally, it must condition an end to these restrictions on Tehran dismantling its nuclear program, fully disbanding its proxy networks, ceasing its support for terrorist organizations, generally abandoning its efforts to export its revolutionary Islamist ideology, and explicitly recognizing Israel's existence and the sovereignty of the many Arab states it has attacked.

Neutralizing Iran's proxies is particularly essential. For decades, Iran has been able to wreak havoc on the Middle East by arming, funding, and coordinating nonstate partners—mostly through the Islamic Revolutionary Guard Corps. These actors then carry out attacks of all kinds at the behest of Tehran, allowing the Islamic Republic to cause massive chaos while maintaining plausible deniability.

To shatter Iran's network, Israel and Washington must establish a regional effort supported by the countries Iran has attacked during the war. The point of such a campaign would not be to eliminate Hezbollah in Lebanon, the Houthis in Yemen, or militias in Iraq. It is to leave them so fragmented and constrained that they struggle to function, particularly beyond their own countries. An intense U.S.-Israeli campaign could also drive a wedge between these groups and Tehran by making it clear that, when push comes to shove, the Iranians cannot save them. That, in turn, would neutralize their potential threat to the region.

Weakening the Islamic Republic also requires supporting Iranian opposition figures who seek regime change. American and Israeli leaders have both said they want to see new leaders in Tehran. But neither has, at the time of this writing, made regime change a formal objective. They should in the postwar campaign. And they should then use covert operations, economic pressure, and political and information warfare to further intensify pressure on Iran as a means of deepening internal regime divisions and undermining its ability to protect security personnel, their families, and the Iranian economic elite. Ultimately, regime change is the task of the Iranian people, but Israel and Washington can help create the conditions the country's citizens need.

SPARRING PARTNERS

If the Islamic Republic is weakened, Israel and Washington will have opened the way for building a new Middle East. In recent years, many of Washington's partners in the region felt compelled to establish diplomatic ties with Tehran in order to stop periodic attacks from Iranian forces and proxies. But if Arab states no longer fear such violence, they will not need to kowtow to the regime. The war has already made it clear that trying to play nice with Tehran won't save these states from experiencing its fury. Gulf Arab governments set up all kinds of diplomatic and economic linkages with Iran in the 2020s, but none of them stopped Tehran from bombarding their countries. The Gulf's efforts to be friendly with China and Russia—Iran's two main patrons—have also failed to provide protection. The war has thus made it clear that the United States is still the only credible external security provider in the Middle East.

In fact, the joint U.S.-Israeli campaigns against Iran in 2025 and 2026 already mark an inflection point in the long effort to undermine Tehran's regional position. The 2026 campaign, known in Israel as Roaring Lion and in the United States as Epic Fury, has helped restore American military prestige after years in which the Islamic Republic and its proxies concluded that Washington and its regional allies were unwilling to bear the costs of sustained confrontation. Israel and the United States, in other words, don't need more proof that their efforts are working.

The success of these attacks also suggests that it is time for Washington to stop basing its relationship with Israel mostly on providing military aid. Instead, the two sides should focus just as much on operational integration and industrial collaboration. To do so, the United States wouldn't need to increase security assistance. It would just have to gradually shift the emphasis of its aid away from funding for the purchase of American weapons and toward their joint development. It should also upgrade Israel's position within the American industrial base by reducing political and procedural barriers and turning the Israeli industrial base into a sandbox for U.S. defense innovations. Doing so would allow Israel to better protect American interests in the Middle East and test emerging American military technologies, giving Washington better insight into how well its systems perform against their joint rivals.

Israel and the United States should even broaden their cooperation to include cutting-edge technologies. Artificial intelligence, quantum computing, semiconductors, rare-earth elements, and advanced energy are all central to geopolitical competition, and the United States needs help to either gain or hold a lead in each. Israel can provide such aid. Its highly educated population and sophisticated tech companies, for instance, can work with American companies on breakthroughs in AI security, advanced semiconductor packaging, critical materials processing, testing advanced forms of energy, and quantum-enabled technologies.

MENDING FENCES

Although military success against Iran can, on its own, open the door to a better and more stable Middle East, it will not by itself create this new regional order. To do that, Israel and the United States will have to translate their tactical and operational gains into a new political architecture that includes the region's other pivotal states: Bahrain, Egypt, Jordan, Saudi Arabia, the United Arab Emirates, and perhaps even Cyprus and Lebanon.

U.S. and Israeli policymakers should therefore adopt a phased strategy aimed at advancing a new Middle East framework. It should be centered on a new "three seas" initiative featuring states on the Mediterranean Sea, the Red Sea, and the Persian Gulf—all operating under American leadership. Its overarching purpose would be to sustain the campaign against the Iranian regime, confront other radical forces, preserve regional security, and accelerate economic, political, and technological integration across the region.

The initiative's first step should be to institutionalize the security framework that the United States established during the war. When it began attacking Iran in late February, Washington worked with its Middle Eastern partners to set up an impressive set of air and missile defense systems that protected Iran's neighbors. The United States coordinated on maritime security, swapped intelligence, and carried out joint counterterrorism efforts with Israel, Arab countries, and some European states—such as Cyprus, France, Greece, and the United Kingdom. These practices should be expanded and formalized so that they outlast this bout of fighting.

Israel, the United States, and Arab countries should also find ways to cooperate on postconflict recovery, such as providing treatment to children traumatized by the bombings. They should work together to shore up their cyberdefenses. And they should tackle some of the resource challenges threatening the Middle East's stability, such as energy, food, and water insecurity. The United States is uniquely positioned to connect Gulf Arab capital and infrastructure, Israeli innovation, and American industrial might into joint ventures that successfully address these issues. A joint endeavor will, in turn, strengthen the region's pragmatic forces and weaken the radical ones that thrive on poverty and instability—Iran included.

A U.S.-Israeli technology partnership and Israel's assistance in addressing these challenges could also help restore the Jewish state's standing among its neighbors. They could thus help lay the groundwork for the final phase of the initiative: the pursuit of continued Arab-Israeli normalization, once conditions allow. (That includes the emergence of a new Israeli government that

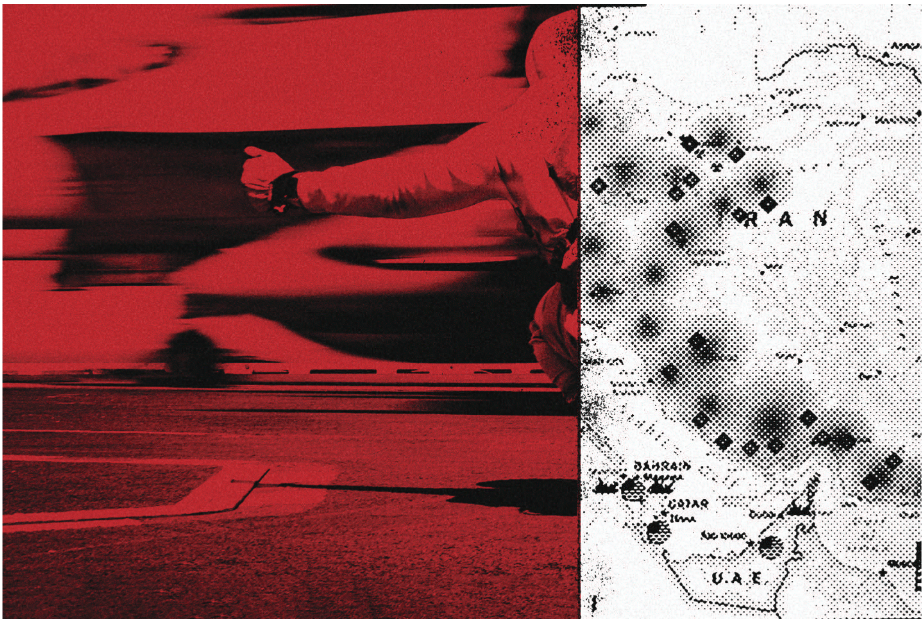

PHOTO SOURCE: REUTERS

Arab states see as a trusted partner and that is capable of making productive decisions, including on the Palestinian issue.) Once signed, such deals would both constrain Iran and anchor the Middle East more firmly to the United States at a time of escalating great-power competition, as the region should be. The war has made it clear that Washington is both the primary guarantor of security in the Middle East and the only power capable of gathering Israel and the Arab states under a new, joint architecture.

A normalization deal would have to address the Palestinian question. Arab countries still pay attention to the future of the Palestinians, and this population cannot be ignored. But the agreement doesn't have to solve the issue. Arab governments will have to accept that progress is likely to come through the kind of conditional, institutional approach laid out in Trump's 20-point plan for Gaza, which aims to demilitarize the Gaza Strip, rehabilitate it, and then place it in the hands of a technocratic Palestinian entity that will not threaten Israel. The governing authority will then have to deradicalize both Gaza's and the West Bank's populations, including dismantling armed networks, ending material incentives for violence, and preventing public institutions from inciting attacks. Israel, meanwhile, will need to have the freedom to conduct security operations in Gaza and the West Bank even if they become independent.

Such a lengthy and piecemeal process is unlikely to satisfy those who want an immediate and dramatic resolution. But it is the only way forward—and thankfully, a weaker Iran makes the path easier. If Tehran can no longer strike Israel at will, incite violence along its borders, or support terrorist organizations such as Hamas and Palestinian Islamic Jihad (which have helped spoil every peace process since the 1993 Oslo accords), Iranian officials will struggle to sabotage diplomatic and political efforts to find a solution.

PRESENT AT THE CREATION

The war with Iran is about more than just Iran. It is about whether the Middle East can finally have a hopeful future. The region might remain trapped between recurring proxy conflict, weak state authority, and cycles of ideological mobilization. But a far less powerful regime means the region could become more stable—organized around state interests, U.S.-backed security arrangements, economic interdependence, and Israel's integration.

It is too early to say whether this positive outcome will prevail. Wars often promise strategic transformation yet ultimately change little. But the present moment has created an opening that has not existed in years. If Israel, the United States, and the Gulf states seize this moment, the current campaign won't be remembered as just another chapter in the long-running conflict between Iran and the rest of the region. It will be remembered as the fight that finally brought peace to the Middle East.

The Iran Shock

And the Dangerous Allure of Energy Autarky

JASON BORDOFF AND MEGHAN L. O'SULLIVAN

Within days of the initial U.S. and Israeli attack on Iran on February 28, 2026, the world was plunged into an energy crisis. Tehran's near shuttering of the Strait of Hormuz, through which roughly 20 percent of the world's oil and liquefied natural gas transit each day, amounted to the largest disruption of global energy flows in history, according to the International Energy Agency. Within the first three weeks of the conflict, oil prices rose by 55 percent. Gasoline jumped by roughly a dollar a gallon, and heating oil and jet fuel soared even higher. Many countries began to ration

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fuel, shorten workweeks, and close factories. It quickly became clear that until the strait reopened, prices would continue to climb, boosting inflation and dampening growth.

This crisis may appear to be unprecedented, but its contours are familiar. In 1973, Arab members of OPEC embargoed oil exports to countries supporting Israel in the Arab-Israeli war, causing a dramatic price spike that traumatized American consumers and contributed to high inflation and slow growth. The 1973 crisis also inspired efforts to avoid another shock. Governments took steps to reduce their reliance on imports, build strategic stocks, and pursue greater cooperation and market integration. Over time, policymakers grew more comfortable trusting their countries' energy security to global markets.

And yet the world never escaped the reality of oil geopolitics. Analysts and officials had warned for decades that the Strait of Hormuz was vulnerable; its closure had been the crisis scenario that everyone most feared. Yet the relative ease and speed with which the entire global economy could be put in jeopardy seemed to come as something of a surprise. Even though Iran was badly outmatched militarily by the United States and Israel, it managed to exert effective control over shipping through the strait. That alone was enough to cause economic turmoil, and subsequent Iranian and Israeli strikes on other key energy installations in the region only exacerbated the crisis.

After seeing the vulnerability of global energy markets laid bare in this way, governments around the world have begun reassessing their exposure. In the 1970s, many concluded that cooperation and market integration could help protect them against the weaponization of energy. In today's fragmented, conflict-prone world, many may draw the opposite conclusion. Over the past few years, governments have watched—and suffered the consequences—as Russia cut off most gas supplies to Europe following its invasion of Ukraine; as China restricted exports of the rare-earth elements used in clean energy, defense, and other technologies; and as the United States blocked Cuba's and Venezuela's energy trades. The latest shock in Iran will further deepen governments' skepticism of globally traded energy supplies and inputs, whether hydrocarbons moving through maritime chokepoints or critical minerals moving through international supply chains.

As integration begins to look like a strategic liability rather than a source of resilience, governments will likely try to exert control over their energy systems and insulate their countries from global markets. But there is no cheap or easy path to self-sufficiency—and the world may soon be reminded that the pursuit of energy autarky is fraught with risk.

BOOM TIMES

For a time, many countries hoped they could escape the turbulence of oil politics. After the crises of the 1970s, major importers moved to reduce oil demand and better prepare for disruption. They replaced oil with coal and nuclear power in electricity generation, built strategic reserves, improved the quality of energy data, removed price controls, and created the International Energy Agency in 1974 to coordinate responses to crises. These changes helped make oil markets more flexible, more transparent, and better able to absorb shocks as market-based pricing allowed physical flows to adjust in response to disruption.

In recent decades, policymakers in advanced economies have come to take energy security for granted. Energy price shocks were infrequent and brief, electricity demand was stagnant, clean energy sources offered opportunities for diversification, and the U.S. shale revolution brought a surge of new oil and natural gas onto the market. Perhaps most important, fears of discord and war disrupting supply receded as the geopolitical environment grew to favor cooperation and as economic integration deepened.

The United States in particular came to believe it could overcome its old energy vulnerabilities. Two decades ago, the country imported roughly 60 percent of its oil. President George W. Bush warned in 2006, as his predecessors had before him, that "America is addicted to oil," and he urged the country to make its reliance on Middle Eastern supplies "a thing of the past."

Thanks to the shale revolution, the United States did lessen that reliance, going on to become the world's largest oil producer and a major exporter. The country's growing energy abundance was seen both at home and abroad as having sharply reduced its geopolitical exposure. Concern about oil prices, for instance, did not prevent the Obama administration from tightening restrictions on Iranian oil, because the administration could at least expect the rapid annual growth of U.S. production at the time to offset much of the lost supply and help limit upward pressure on prices. Over time, the rise in U.S. output also fostered a broader sense that the Middle East had become less central to American national security. As recently as last December, the Trump administration's National Security Strategy declared that as U.S. oil production increases, "America's historic reason for focusing on the Middle East will recede."

The signing of the Paris climate agreement, in 2015, had further buoyed expectations around the world that the geopolitics of oil and gas might fade with the clean energy transition. Leaders in the United States and Europe argued that moving quickly to replace fossil fuels with renewables would not only help them meet their pledges to cut carbon emissions but also serve another purpose: by reducing their dependence on foreign fuel, countries could expand their freedom of action in foreign policy.

DASHED HOPES

Now, however, uncomfortable realities have overtaken the optimism of earlier decades. For one, the world still overwhelmingly runs on fossil fuels. Despite the significant expansion of clean energy, fossil fuels continue to supply more than 80 percent of global energy because demand continues to grow. And although oil markets are more integrated and the global economy is less oil-intensive than before, shocks still happen often and can be painful. Because oil is traded on a global market, price increases affect the price at the pump for everyone, regardless of whether a country is a net importer or exporter. Shocks to natural gas supply, too, reverberate across Asia and Europe, although the United States is largely insulated from them. Because there is a fixed amount of infrastructure to export U.S. liquefied natural gas and it tends to run at full capacity, American producers cannot turn additional gas into LNG to sell overseas at higher prices, and they must sell it at lower domestic prices instead.

For the United States, the recent crisis has underscored that energy superpower status does not eliminate vulnerability to geopolitical upheaval. Even though the country produces more crude and oil products than it consumes, it remains tied to global markets. American producers may benefit from higher prices, but households and energy-intensive industries do not.

The disruption to Middle Eastern supplies is just the latest example of a growing trend of energy weaponization. It is not just oil and gas flows that are at risk; China's dominance in the emerging clean energy economy gives Beijing plenty of levers to pull. And as great-power rivalry intensifies and the international economic order fragments, countries are increasingly willing to exploit the dependence of others on global energy markets, using sanctions, export controls, cyberattacks, and maritime pressure to advance foreign policy objectives.

These tactics were on full display in the first three months of 2026 alone—and not just in the Gulf. In the Western Hemisphere, the United States issued sanctions and intercepted tankers to restrict fuel shipments to Cuba, exacerbating shortages on the island and putting pressure on its government. And in the weeks before U.S. President Donald Trump ordered the capture of Venezuelan President Nicolás Maduro in January, the U.S. military had set up a blockade to stop Venezuelan oil exports. After Maduro's seizure, Trump declared that Venezuela's new leadership would be "turning over" the country's oil to the United States. When the Trump administration eased sanctions on Venezuelan oil in March, the waiver explicitly excluded transactions involving the United States' chief geopolitical rivals, China and Russia, among other adversaries.

There is little reason to expect energy crises to taper off in the future. Drones and cyberweapons have made disruption cheaper, easier, and more sustainable. Iran has demonstrated that even a relatively weak power can cause global economic harm by threatening infrastructure and chokepoints. At the same time, the norm against targeting civilian energy infrastructure is eroding, as evident in Russia's attacks on Ukraine's electric grid; in Russian-linked cyber-operations against energy networks, such as the 2021 attack on a U.S. gas pipeline and the 2025 attack on Poland's power grid; and in Trump's threat to attack Iranian power stations in late March. And there are now many ways to constrict energy flows. Shipping, insurance, finance, and payment systems can all become targets; directly attacking production is not the only way to cause disruption.

Clean energy offers no refuge from these geopolitical risks. China controls much of the world's critical mineral processing and dominates supply chains for solar panels, wind turbines, batteries, and electric vehicles. When Beijing restricted rare-earth exports in 2025 in response to U.S. export controls, it sent shock waves through Washington and European capitals. Automakers on both sides of the Atlantic struggled to secure parts, some production was interrupted, and European prices for key components of electric vehicles soared. The lesson was clear: dependence could be weaponized in the clean energy economy just as easily as it had been in the fossil fuel market.

SAFE BEHIND WALLS?

Aware of the vulnerabilities in both traditional and clean energy systems, governments have been feeling a growing pull toward energy autarky—the ability to meet one's own energy needs. The energy crisis provoked by the Iran war may sharply reinforce this impulse.

Governments were already intervening more directly in energy markets and in individual companies' decisions before the war in Iran. The fallout from the conflict is likely to push them even further toward state capitalism. When energy supplies were first disrupted, governments worked through the International Energy Agency to coordinate the release of global oil stocks in an effort to stabilize markets. And the trend toward government intervention goes far beyond such emergency measures. Governments that are more reluctant to place their faith in interconnected markets to allocate energy supplies will instead place greater emphasis on control over domestic production, supply chains, infrastructure, and even trade routes. The goal will not simply be to diversify sources of supply or expand reserves—which have long been the pillars of the energy security strategies of most countries—but to reduce exposure to global energy systems altogether.

The drive to reduce exposure to risky oil and gas markets will also give renewed momentum to efforts to find alternative energy sources and run more of a country's economy on electricity that can be powered from domestic sources. There will be more efficiency improvements, reduction of oil use as more electric vehicles enter transportation networks, and substitution of gas with solar, wind, nuclear, or coal power.

China has already been moving in this direction, even if it is still far from realizing true energy autarky. The current crisis has been painful for Beijing: roughly half of China's crude oil imports and one-third of its liquefied natural gas imports transit the Strait of Hormuz. But after two decades of aggressive electrification—electricity now accounts for more than 30 percent of China's final energy consumption—and a massive expansion of domestic power generation from coal and renewable sources, China is better positioned than it would otherwise have been to absorb external shocks to oil and gas supplies. The massive buffer of strategic oil reserves China has built up helps, too. (The United States, meanwhile, has been selling off its stockpile.) Now, Beijing is likely to accelerate its electrification of transport and industry, pursue even larger domestic and overseas sources of critical minerals, and continue expanding its reserves, grid infrastructure, and storage.

Europe faces more difficulties. The continent's leaders were already deeply motivated to reduce their countries' reliance on imported oil and gas after Russia's 2022 invasion of Ukraine, and the Iran war will reinforce that commitment. But a European strategy based on electrification and the expansion of domestic power generation using renewable sources also carries risks, because it would increase the continent's dependence on Chinese-dominated clean energy supply chains. In trying to escape one form of geopolitical exposure, Europe may have to accept another.

Energy autarky may find particular appeal in the United States. Americans who have long been promised energy independence may feel confused and betrayed by the scale of the shock caused by turmoil half a world away. This may multiply demands to restrict exports and prioritize domestic supply, in a misguided effort to disconnect the country from global oil markets—effectively trying to replicate the dynamics of the gas market, in which U.S. prices can remain low while prices elsewhere soar. Yet isolation would be self-defeating. Restricting U.S. oil exports might briefly lower domestic prices, but it would also discourage production and refining at a time when more supply is needed, not less. It would undermine the credibility of the United States as a supplier and invite retaliation from trading partners. And because gasoline is still priced in a global market, keeping crude oil at home would do little to insulate consumers from price shocks. Trying next to ban exports of gasoline and other refined oil products would cause even greater collateral damage, since refiners would cut back their output, further curbing domestic supply.

The pursuit of energy autarky would undoubtedly raise costs for most countries that seek it. Domestic extraction and manufacturing are often more expensive than acquiring resources and materials through trade, and creating redundancies adds to the cost. But in a more dangerous world, governments may decide that this premium is worth paying.

The race to eliminate exposure to global volatility would also risk introducing new sources of instability at home. Attempts to localize supply chains may create new bottlenecks if domestic capacity proves insufficient or more costly than anticipated. Policies that restrict exports or shield domestic consumers from global prices may offer short-term relief, but they can also discourage investment, distort market signals, and ultimately reduce supply.

Over time, the efforts of individual countries to insulate their domestic markets could reshape the global energy system. Trade may be rerouted as countries prioritize security over cost, and investment may be driven less by market signals than by geopolitical considerations. Governments may intervene to encourage domestic production or shift supply chains to allied countries. The result would not be a complete retreat from global markets, which is neither feasible nor desirable, but a more fragmented and less efficient system.

MISSED CONNECTION

It would be a misreading of the latest crisis to argue that cooperation and

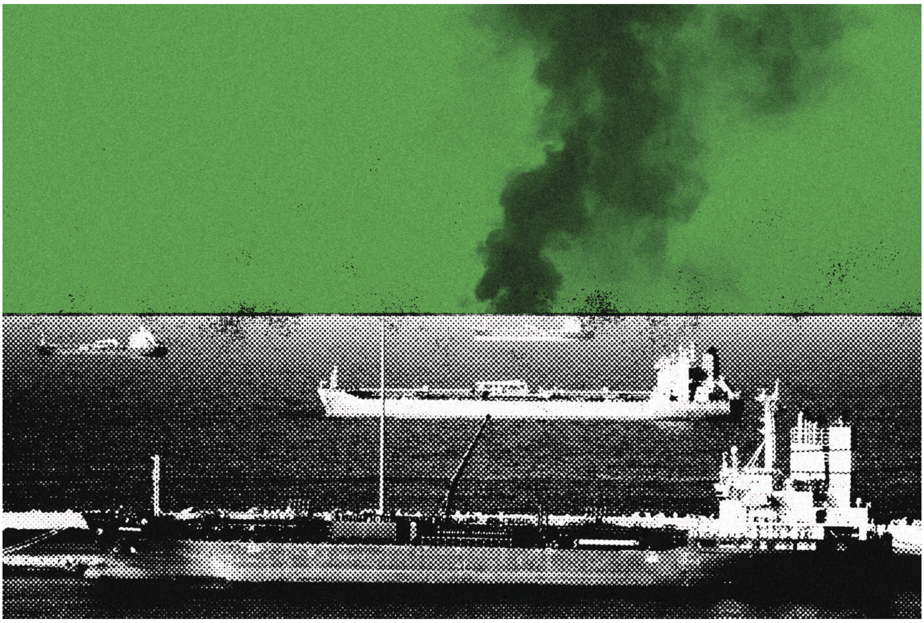

PHOTO SOURCE: REUTERS

interconnection have failed. When traffic through the Strait of Hormuz effectively halted this year, strategic reserves and coordination through the International Energy Agency partially offset lost supply. More important, for decades, whenever oil supplies have been interrupted by war, disaster, or unrest, markets have reallocated energy in response to price signals. The same is increasingly true of natural gas. When Japan had an energy gap to fill after the Fukushima nuclear disaster in 2011, and when Europe lost access to most Russian pipeline gas supply in 2022, market forces rerouted cargo ships carrying liquefied natural gas to provide some of the missing supply. This year, globally traded oil markets ensured that the harm of Iran's disruption would not be limited to the United States and Israel alone. Interconnection softens the blow of local supply shocks by providing access to global markets, although globally set prices also broaden the reach of distant disruptions.

There are better solutions than retreating from markets. Governments should aim not to achieve energy autonomy but to manage interdependence more effectively, mitigating the most critical vulnerabilities in their energy systems without abandoning the efficiencies of global trade. This means adding redundancy when necessary, broadening the pool of reliable suppliers, and reducing the influence of any single chokepoint or country on the global market as a whole. Some exposure is inevitable, but it is possible to reduce risks.

Resilience starts with stronger buffers. Strategic reserves—not only for oil but also for critical minerals and other key materials and fuels—can help countries weather the supply disruptions that are bound to happen in the future. Diversification is also key. British Prime Minister Winston

Churchill observed back in 1913 that “safety and certainty in oil lie in variety and variety alone,” and the same holds true for other forms of energy. Overreliance on any one supplier—or on any one country that dominates a supply chain—creates systemic risk. Broader sourcing may cost more, but it enhances resilience. Rather than taking the even more expensive route of attempting to produce everything at home, a country such as the United States might diversify its clean energy supply chains away from China by working with countries in Africa, Europe, and Latin America to build critical mineral refining and processing capabilities.

Infrastructure can be made more resilient, too. Countries should better protect their electric grids against cyberattacks and extreme weather. They should also build redundancy into supply networks and develop alternative routes for energy flows. Saudi Arabia’s oil pipeline to the Red Sea, which bypasses the Strait of Hormuz, was expensive to construct but has helped more than anything else to offset the supply shortage caused by Iran’s closure of the strait. Similar investments could serve as a sort of insurance policy to substantially reduce the harm that disruption to other chokepoints could cause.

Finally, the most durable form of energy security lies simply in using less energy. The United States is safer from oil shocks today than it was a few decades ago not only because it produces more oil but also because it uses less oil per unit of economic output.

Although China has been guilty of preying on other countries’ supply chain insecurities, it also provides an example of how to balance greater self-reliance with managed interdependence. Beijing has been building reserves, diversifying import sources, expanding redundancy, and accelerating electrification. It has pursued resilience not by fully embracing autarky but by combining domestic capacity with careful integration into global markets.

STRIKING A BALANCE

The energy crisis caused by the U.S.-Israeli war on Iran underscores an uncomfortable reality: as the cooperative global order frays, energy insecurity rises. The clean energy transition has not eliminated geopolitical risk; it has layered new vulnerabilities atop old ones. A single regional conflict can still reverberate through global markets and harm nearly every country in the world.

Half a century ago, the trauma of the 1973 oil embargo pushed countries to build more deeply integrated and more efficient markets. Today, many see those markets as sources of vulnerability. That instinct is understandable, but interconnection itself is not the problem. Integrated markets remain indispensable for reallocating supply after a disruption, and the idea that security can be bought by retreating behind national borders is an illusion. In energy, as in so much else, complete control is impossible. As governments revise their energy strategies in the wake of the crisis, their goal should not be self-sufficiency at any cost. Rather, it should be to build systems strong enough to absorb shocks without breaking.

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In the Age of AI, Leadership Is Not About Prediction. It's About Judgment.

Author: Cédric Denis-Rémis, Executive Vice-President of Executive Education & Dean of ESCP School of Technology

> *"50 percent of entry-level white-collar jobs will be wiped out by AI."*
> *"AI is coming for you." "Something big is happening."*

Such headlines dominate our feeds. Founders, investors, and technology evangelists warn of disruption on an unprecedented scale. But we can as easily find arguments on the other side of the coin. A report by the European Central Bank from March 2026 found that "companies that make significant use of AI are about 4 percent more likely to take on additional staff". US research firm Gartner predicts that by 2027, half of companies that reduced headcount citing AI will rehire employees into similar roles.

So what, precisely, do we know?

We know that we do not know what artificial intelligence will look like in five years, let alone twenty. Much of today's certainty is, in reality, projection—often from those with significant stakes in selling AI models, platforms or infrastructure. Predictions may attract capital and headlines. But leadership cannot rest on prediction.

Leadership rests on judgment.

While the applications of technology evolve at extraordinary speed, the fundamentals remain constant. The laws of gravity do not change. The scientific method does not change. Economic incentives, human behaviour, and organisational dynamics still shape outcomes. Skills have always been disrupted. We once worked without Word, without Excel, without mobile phones. Skills evolved then, and they will evolve again. That is not unprecedented; it is the pattern of history.

What is unprecedented is the speed.

We are living through a global transformation defined less by novelty than by acceleration. The turns are faster and sharper. Entire business models can be challenged within months. Four structural shifts underpin this moment: pervasive digital transformation; devices that connect us everywhere; the massive production of data; and the global accessibility of that data through cloud infrastructure.

The strategic question for executives is not whether AI will change business. It is whether leaders possess the intellectual tools to interrogate its limits, assess its risks, and integrate it responsibly.

This requires more than technical fluency. It requires **scientific literacy**: the ability to understand models and their assumptions. It requires **geopolitical awareness**: the recognition that technological systems operate within regulatory frameworks, power structures, and competing national strategies. And it requires **managerial competence**: the capacity to align people, incentives, and institutions around sustainable transformation.

In moments of rapid acceleration, the most radical act may be to slow down.

Leaders must create space to think critically, to challenge the headlines, and to examine consequences. They must step out of operational urgency and into intellectual reflection. Not to resist innovation, but to understand it deeply enough to govern it wisely.

Executive education, at its best, offers precisely this: structured time to step back, analyse, debate, and recalibrate alongside peers confronting similar uncertainties. It is not about chasing every new tool. It is about strengthening the foundations so that when the next technological wave arrives, leaders don't react. Instead, they respond with discernment.

The future of AI remains uncertain. The institutions and companies that will thrive are not those that predict the future most loudly, but those that cultivate the judgment to navigate it responsibly.

In the age of artificial intelligence, judgment is strategy.

How to Fight an Economic War

A Field Manual for a Ruptured World

EDWARD FISHMAN

The World Economic Forum at Davos is rarely the site of geopolitical rupture. But this year, Canadian Prime Minister Mark Carney stood before the assembled executives and dignitaries to declare the end of an era. Globalization, with its promise of win-win cooperation, had given way to intensifying economic warfare. "Great powers have begun using economic integration as weapons, tariffs as leverage, financial infrastructure as coercion, supply chains as vulnerabilities to be exploited," he said. "You cannot live within the lie of mutual benefit through integration, when integration becomes the source of your subordination."

In Carney's telling, the giants are on the march, leaving everyone else little choice but to band together in self-defense. Yet his narrative, however resonant, obscures a more volatile reality: in this

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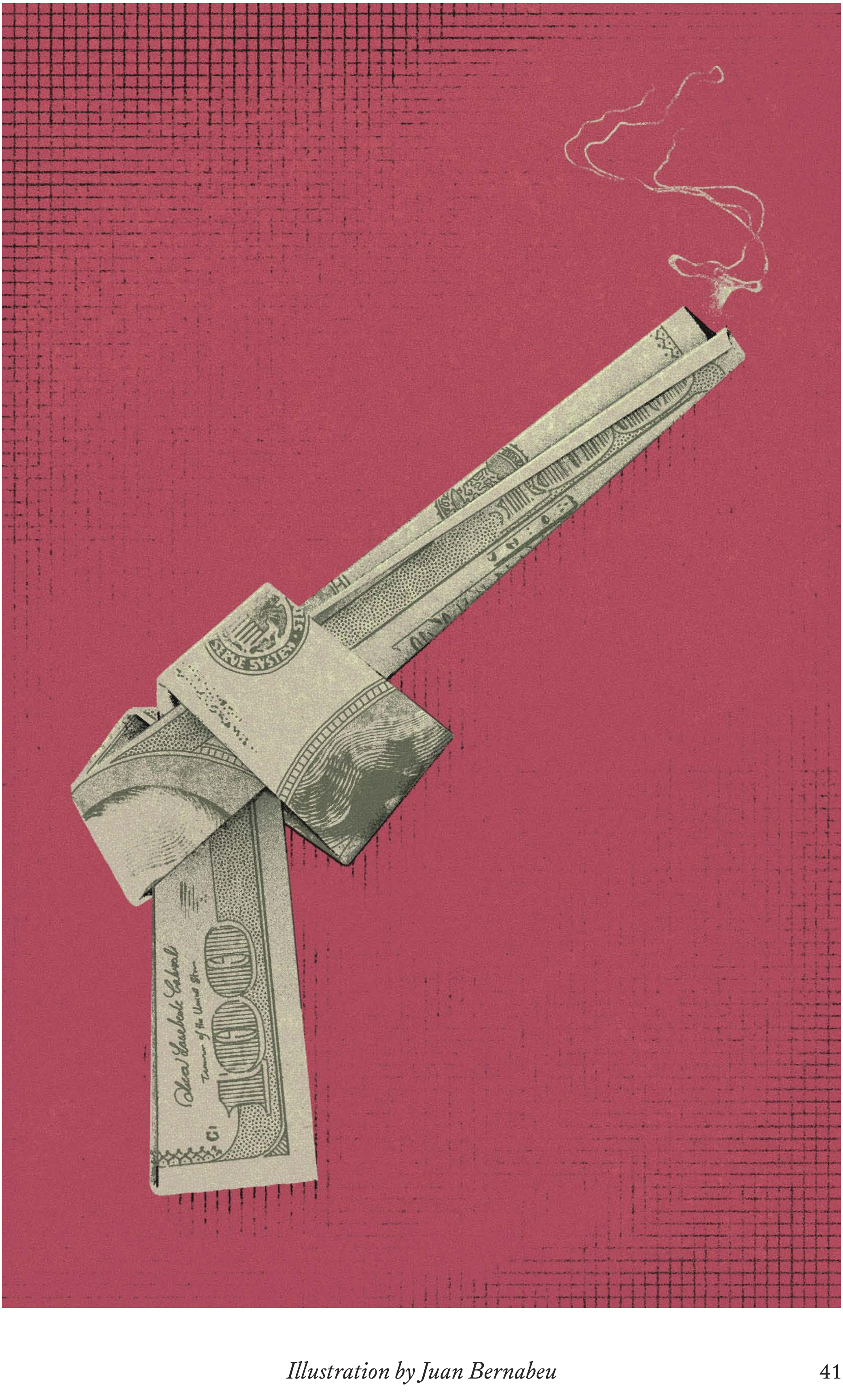
SERVE SYSTEM
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Illustration by Juan Bernabeu

age of economic warfare, even the great powers feel increasingly insecure. Nations big and small have awoken to their vulnerability to foreign economic coercion—and the fear this realization has unleashed is pushing policy in unexpected directions.

Two weeks after Carney's speech, U.S. Vice President JD Vance rallied ministers from more than 50 countries at the first-ever Critical Minerals Ministerial, in a bid to break China's monopoly over rare-earth elements. Days earlier, *Qiushi*, the Chinese Communist Party's flagship journal, published a speech by Chinese leader Xi Jinping calling for the renminbi to "attain reserve currency status," while Chinese regulators urged banks to curb purchases of U.S. Treasury bonds. The Trump administration hardly has an affinity for multilateralism, and Xi has long approached renminbi internationalization cautiously. But for both Washington and Beijing, protection from the other's economic arsenal has become a strategic imperative.

Vance's call to action and Xi's speech exemplify the parallel processes remaking geoeconomics today: an economic arms race and a scramble for economic security. Governments are identifying their sources of leverage and crafting new tools to wield them against rivals—arming, in effect, for economic war. At the same time, they are building fortifications against the economic weapons others might use against them.

The United States lacks a field manual for this new environment. Over the past two decades, American officials developed strategies for economic warfare in a unipolar world. Accustomed to playing offense, Washington paid little heed to the risk of retaliation or surprise attacks. That world has passed. The new one is defined by mutual vulnerability, a constant search for leverage, and a constant fear of exposure. The United States and China possess the most formidable arsenals, but as the war in Iran has shown, smaller powers can also exact devastating costs on the global economy by weaponizing chokepoints. Tehran's closure of the Strait of Hormuz in the opening days of the conflict sent energy prices soaring, forcing Washington to shift its war aims. It also demonstrated how adversaries can adapt the logic of economic warfare to kinetic conflict, using drones and missiles to shape the behavior of private firms much as the United States does with financial sanctions.

Waging economic war in this ruptured world will require Washington to overhaul its approach. It must learn to deploy its economic power without eroding its foundations. It must shore up its vulnerabilities without sacrificing growth and prosperity. It must manage escalation against adversaries and coordinate with allies. Otherwise, the United States, unprepared and ill equipped, will be stuck fighting the last war as a new economic order takes shape—an order far less hospitable to American interests than the old one.

ANATOMY OF A CHOKEPOINT

The first task is to map the chokepoints, the areas of the global economy most susceptible to weaponization. Geographic chokepoints like the Strait of Hormuz have always been fulcrums of power. Economic chokepoints rose to prominence more recently. Most formed during the heyday of globalization, as businesses embraced just-in-time supply chains and a dollar-centric financial system in pursuit of efficiency. The return of geopolitical competition has turned these well-intentioned features into glaring vulnerabilities as states have learned to cut off adversaries from the chokepoints they control.

But not every economic dependence represents a chokepoint. And if Washington treats each one as a national security threat, it will sacrifice growth and prosperity without materially improving its security. Likewise, attempts to weaponize an advantage that is not a chokepoint will fail, needlessly driving business away from U.S. firms and weakening U.S. influence.

True chokepoints share three characteristics. A single country or coalition of close allies possesses a dominant, concentrated market share. Substitutes are unavailable in the short term. And the country or coalition can weaponize its position in ways that impose asymmetric pressure, inflicting substantial pain on the target while suffering minimal self-harm.

Mere leadership is insufficient. To control a chokepoint, a country must hold a near monopoly over the relevant market. Consider the chokepoints that Washington and Beijing use most frequently. U.S. financial sanctions exploit the centrality of the dollar, which is used in nearly 90 percent of all foreign exchange transactions. American export controls on advanced semiconductors rely on a similar dynamic: a single Silicon Valley firm, Nvidia, accounts for more than 85 percent of the market for AI chips. China, for its part, refines roughly 90 percent of the world's rare earths. In each case, the United States or China is not just a market leader; it is effectively a monopolist.

When a country lacks that degree of concentration, its leverage is more limited. Take American tariffs, which pressure foreign countries by reducing the competitiveness of their exports in the U.S. market. When U.S. President Donald Trump announced sweeping levies on nearly every other country last April, he claimed that they would bend to his will because the United States has "the biggest market in the world." In terms of scale, Trump was correct: the United States is the world's largest importer. But it accounts for only about 13 percent of global imports. Even if the average country were entirely barred from the U.S. market, it could still sell into nearly 90 percent of the world economy. In true chokepoints, the math is reversed. The controlling country typically holds close to 90 percent of the relevant market, leaving targets with access to barely ten percent.

This helps explain why Trump's tariffs have often failed to coerce other countries. Last year, although U.S. tariffs sharply reduced Brazil's and China's exports to the United States, both countries were so successful in boosting sales elsewhere that they set annual records for total exports.

Even if a country holds a dominant share, a market will not function as a chokepoint unless substitutes are nearly impossible to find in the short term. At the start of the COVID-19 pandemic, in January 2020, for instance, the United States imported roughly three-quarters of its medical masks from China. Domestic producers supplied under ten percent of demand. As the virus spread rapidly in China, Beijing curbed exports to guarantee supplies for its own people. The result was empty shelves across the United States. Shortages were so acute that U.S. public health authorities discouraged Americans from wearing masks to ensure supplies for doctors and nurses.

But U.S. manufacturers quickly scaled up production. By the summer, masks were plentiful enough for state and local governments to issue widespread mask mandates. Within a year of the outbreak, American factories had quadrupled production of N95 masks. Although China dominated output at the start of 2020, masks were not a chokepoint because they proved easy to substitute. The same logic holds for other goods that are relatively simple and require little capital to produce, such as apparel and furniture. If a single country cornered the market for those products, it would still struggle to use them as effective economic weapons.

Capital-intensive products such as refined rare earths are much harder to substitute. A typical rare-earth mining project takes nine years to reach production. Even if U.S. Treasury Secretary Scott Bessent's more optimistic projection that the United States can break China's leverage over the rare-earth supply chain in two years proves accurate, that's a long time to remain vulnerable to Chinese coercion.

For services, network effects—in which a product's value increases with the number of users—can further reduce substitutability. That's why U.S. financial services are such a potent chokepoint. The ubiquity of the dollar makes creating a viable alternative exceedingly difficult.

Trump's tariffs have often failed to coerce other countries.

For a market to function as a chokepoint, the country that controls it must also be able to use it to inflict asymmetric harm. American tariffs on Canada illustrate what happens when the controlling country lacks that ability. Canada sends more than 75 percent of its exports to the United States, and owing to geography and the location of fixed infrastructure such as oil and gas pipelines, there is nothing it can do to rapidly diversify away from the U.S. market. Recognizing this fact, Trump has claimed that the United States holds essentially unlimited leverage over Canada. "We don't need anything they have," Trump said. "We don't need their lumber, we don't need their energy. We have more than they do. We don't need anything . . . . But they need us."

Although U.S. tariffs can substantially harm Canada, they cannot do so without also inflicting a great deal of pain on the United States. The economist David Henderson of the Hoover Institution has estimated that a 25 percent tariff on Canada would cost Americans about $700 per household. It would also disrupt auto manufacturing and spike prices for gasoline and electricity, since U.S. refineries and power grids depend on Canadian supply. It's little wonder, then, that the vast majority of imports from Canada were exempted from the 25 percent tariff Trump instituted shortly after taking office. By December 2025, the effective overall U.S. tariff rate on Canada was just 3.1 percent, the lowest among Washington's major trading partners.

Before the U.S.-Israeli war in Iran began in February, U.S. officials likely misread Tehran's ability to use the Strait of Hormuz as an asymmetric weapon, giving them a false sense of security. The strait is the world's most important geographic chokepoint: on any given day, about 20 percent of global oil and liquefied natural gas transits the waterway, and there are no alternative routes. Analysts assumed that Iran would not dare close it, since doing so would require laying scores of sea mines, and Iran also depends on the waterway to export its own oil. But Tehran demonstrated that it can disrupt the strait at far lower cost. By striking a small number of ships with relatively cheap drones and missiles, Iran changed the risk calculus of the global shipping industry. Tankers carrying Iranian oil sailed freely through the strait while those carrying oil from other Gulf states balked.

Chinese rare earths offer a more clear-cut case. In 2024, China earned approximately $3.4 billion from exporting rare-earth elements and magnets. Meanwhile, researchers at the U.S. Geological Survey estimate that a 30 percent disruption to the United States' supply of the rare-earth element neodymium alone would reduce the country's GDP by 2.2 percent—more than $600 billion. In other words, China would have to forgo no more than a couple of billion dollars in export revenue to inflict over half a trillion dollars of damage on the U.S. economy. This asymmetry is what gives Chinese export controls their power. It also highlights a broader reality about economic warfare. When they have a choice, states don't weaponize interdependence—they weaponize dependence.

WHY WE FIGHT

The first rule of economic warfare is simple: don't weaponize false chokepoints. But even if U.S. policymakers can follow it, they still confront a dangerous feedback loop. Every time Washington weaponizes a chokepoint, other countries take steps to insulate themselves from it. In any specific instance, the erosion of American power may be marginal. But over time, the cumulative effect could reduce confidence in the U.S. dollar and blunt demand for American technology, energy, and other products. The United States needs a plan for deploying its leverage effectively without destroying that leverage in the process.

The optimal design of sanctions, export controls, and other economic measures depends entirely on the goal they are meant to achieve. Broadly speaking, such policies serve three distinct purposes. The least ambitious is stigmatization—what U.S. officials call "naming and shaming." No one expects sanctions to turn corrupt dictators and human rights abusers into saints, but Washington often targets them anyway to signal disapproval and satisfy political demands for action. Symbolic sanctions aren't inherently bad, but they aren't innocuous, either. They can discourage banks from operating in developing countries, reducing American influence and causing humanitarian harm. And when U.S. officials use them as a primary weapon during a crisis, they risk inadvertently signaling a lack of resolve by revealing little appetite for a wider economic confrontation that could hurt the American economy, too.

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One step up are measures designed to weaken adversaries by denying their access to technology, capital, or markets, such as U.S. export controls on microchips destined for China. As former U.S. National Security Adviser Jake Sullivan put it, their objective was to maintain "as large of a lead as possible" for the United States in the race to develop advanced semiconductors and AI. Under both the Biden and the Trump administrations, export controls were a strategy of attrition, aimed not at changing Beijing's behavior but at containing China's technological capabilities.

The most ambitious objective is coercion—using economic pressure to alter another government's policies. Coercive sanctions can take the form of deterrence (preventing a country from crossing a redline) or compellence (forcing it to change an existing policy). The Biden administration's warnings in 2022 of "swift and severe consequences" if Russia invaded Ukraine were intended as deterrence, whereas the Trump administration's "maximum pressure" strategy against Iran aimed to compel Tehran to rein in its nuclear program and support for proxies.

U.S. policymakers rarely articulate clear objectives when they wage economic warfare. But distinguishing between objectives at the outset of any economic pressure campaign should be a priority because they can pull strategy in opposite directions. Consider a potential Chinese invasion of Taiwan. If Washington intends to use economic warfare as a deterrent that would materialize only if Beijing crosses a tripwire, then the optimal strategy would be to accumulate leverage by increasing China's dependence on American technology and hold it in reserve. That way, when Xi is mulling whether to act, the United States could threaten a severe economic punch to dissuade him. Conversely, if the aim is to degrade Chinese capabilities and thus make a successful invasion less likely, the best course of action is to use leverage now, choking off China's access to American technology before war breaks out. Once hostilities have started, economic attrition is of little use unless the conflict is protracted.

The Trump administration's vacillation on export controls encapsulates the danger of waging economic warfare without a well-defined goal. One camp in the administration, made up of more traditionally hawkish officials such as Secretary of State Marco Rubio, has pushed for tighter restrictions to impede China's progress in AI. Another has advocated looser restrictions to get China "addicted" to American chips, as Commerce Secretary Howard Lutnick put it. Both perspectives have logic; the right choice depends on the objective.

Whatever the goal, it's rarely wise to ratchet up restrictions incrementally. American policymakers tend to take this approach out of caution, preferring to wait and see the effect of measures before escalating. But economic pressure does not operate in a vacuum. As soon as a new sanction or export control is imposed, the target country begins adapting—developing workarounds, cultivating alternative suppliers, and investing in self-sufficiency. Countries under significant pressure are increasingly turning proficiency in these tactics into a profession. One of Russia's most prestigious universities recently launched a master's degree in sanctions evasion. For these reasons, strengthening measures step by step often yields diminishing returns. Pressure doesn't increase proportionally; at best, it plateaus.

RECKLESS ABANDON

Just as important as deploying the right amount of leverage at the right time is preserving that leverage so it will be available when the United States needs it most. The more Washington weaponizes a chokepoint, the stronger the incentive for other countries to reduce their reliance on the United States, making that chokepoint less effective in the future.

This incentive often reaches beyond the immediate targets. After Russia annexed Crimea, in 2014, Washington imposed sanctions on Moscow that blocked Russian firms from parts of the U.S. financial system. Beijing drew a clear lesson: if Washington could treat Moscow that way, it could one day do the same to Beijing. The episode spurred China's leaders to build homegrown payment systems to reduce the country's exposure to U.S. financial sanctions. In

2015, China launched the Cross-Border Interbank Payment System (CIPS), designed to clear renminbi transactions without relying on Western intermediaries. Beijing has since expanded this effort, launching a central bank digital currency, the e-CNY, and mBridge, a digital payment platform that enables central banks to settle transactions directly with each other.

These initiatives do not pose a serious challenge to dollar dominance. But building a global rival to the dollar-clearing system is not China's objective. Instead, Beijing seeks to build a parallel infrastructure that could scale up quickly in a crisis—a kind of insurance policy rather than an outright replacement. Cips has grown rapidly and now counts roughly 1,700 participating institutions in more than 120 countries—much smaller than SWIFT, but large enough that if China were cut off from the dollar, it could support renminbi settlement on a meaningful scale. The e-CNY and mBridge are making similar progress. And despite the threat these efforts pose to U.S. leverage, Washington has paid scant attention. It should take the future of payments seriously, advancing policies that both slow China's efforts when possible and modernize Western systems to ensure they remain faster, cheaper, and more attractive to use.

> The first rule of economic warfare is simple: don't weaponize false chokepoints.

A more systemic challenge may come from a less obvious source. The internationalization of the renminbi is held back by Chinese capital controls and the uncertainty of conducting business in a country that lacks the rule of law. The euro, by contrast, is a convertible, liquid currency, backed by stable democratic governments. In the realm of payments, where ease and reliability matter most, it holds clear advantages. The euro is already the second most used currency in foreign exchange transactions, and central banks hold around 20 percent of their reserves in euros, second only to the dollar at 57 percent.

In advocating for a digital version of the euro, Christine Lagarde, the president of the European Central Bank, has stressed that the project is "a political statement concerning the sovereignty of Europe." The same logic is driving long-delayed efforts to unify the EU's fragmented capital market. As these initiatives advance, the euro could attract users beyond Europe, especially those who fear that the United States could turn the dollar into a weapon against them.

The upshot for U.S. policymakers is that, whenever possible, they should coordinate sanctions with the EU and other allies. Such coordination matters not because it's necessary to make sanctions bite—thanks to U.S.-controlled chokepoints, unilateral measures are usually potent enough—but because it prevents the dollar from carrying a geopolitical risk premium relative to other reserve currencies. In the three years after the G-7 froze Russia's central bank reserves in response to the invasion of Ukraine in February 2022, the dollar's use in international payments increased, gaining share at the expense of other G-7 currencies, including the euro, the pound, and the yen, which were seen as just as susceptible to weaponization.

The bigger problem for the United States is that much of the world has come to believe that, after two decades of intensifying bipartisan economic warfare, Washington could eventually weaponize everything against everyone. "De-risking" from the United States, including in domains that Washington has not yet exploited, is increasingly seen as common sense, even among governments that have not yet been direct targets. Take cloud services, of which the U.S. tech giants Amazon, Microsoft, Google, and Oracle hold a combined global market share of over 70 percent. Concerns that Washington could weaponize this dominance have prompted European governments to fund domestic technology stacks (the layers of hardware and software that underpin digital services), replace American software in sensitive agencies, and build "sovereign clouds" shielded from U.S. reach.

At this point, there is little the Trump administration can do to allay these concerns. Ever since former U.S. Treasury Secretary Jack Lew first warned against the "overuse of sanctions" in 2016, U.S. officials on both sides of the aisle have been sounding the alarm about Washington's reliance on economic leverage. Even Trump himself said on the campaign trail in 2024 that he hoped to use sanctions "as little as possible." Yet none of this rhetoric has translated into restraint. Every American president in the twenty-first century has imposed sanctions at roughly twice the rate of his predecessor, and all signs indicate that this trend will continue.

The only viable solution is to erect legislative guardrails. Laws already on the books limit presidential authority to sanction food, medicine, and informational materials. But the president retains extraordinarily broad authority to impose sanctions for almost any reason. In just the past year, Trump has sanctioned the Brazilian supreme court justice Alexandre de Moraes and his wife for his prosecution of former Brazilian President Jair Bolsonaro; Colombian President Gustavo Petro, his wife, and his son for their alleged involvement in the international drug trade; and multiple International Criminal Court judges for investigating and issuing arrest warrants for Israeli officials involved in the war in Gaza. In March, he threatened to "cut off all trade" with Spain after its government denied the U.S. military access to its bases during the war with Iran. Unlike the tariffs Trump imposed under the International Emergency Economic Powers Act, which the Supreme Court struck down in February, most of these actions rest on solid legal footing.

To prevent the misuse of sanctions, lawmakers should create broader "sanctions free" zones, designating additional sectors off-limits to weaponization without congressional approval. A similar approach should constrain the president's ability to levy sanctions on U.S. treaty allies. Such institutional checks would still allow Washington to wield leverage when necessary, but they would prevent capricious actions that erode the foundations of American economic power.

JUST ENOUGH IS ENOUGH

A few years before the outbreak of World War I, Alfred Harmsworth, the owner of the British newspaper *The Daily Mail*, toured Germany's rapidly industrializing towns and was alarmed by what he saw. "Every one of these factory chimneys is a gun pointed at England," he observed in a letter to one of his staff writers, "and in many cases a very powerful one."

Many Americans visiting Chinese cities today feel a similar unease. "China is at parity or pulling ahead of the United States in a variety of technologies, notably at the A.I. frontier," wrote the former Google CEO Eric Schmidt and his colleague Selina Xu after recent trips to the country. China's manufacturing dominance and accelerating technological capabilities, together with Beijing's quickly developing economic arsenal, pose a formidable strategic challenge for Washington.

In April 2025, China demonstrated the power of this combination by imposing stringent export controls on rare earths in a devastating counterpunch to Trump's tariffs. Within weeks, U.S. supply chains began to buckle. Ford temporarily shuttered a factory that makes its Explorer SUV after running short of rare-earth magnets, and Raytheon scrambled to find alternative supplies of a mineral essential to its Tomahawk cruise missiles. The Trump administration rushed to the negotiating table and agreed to scale back tariffs in exchange for a suspension of the rare-earth restrictions.

A few months later, when the U.S. Commerce Department tightened its own export control regulations, Beijing unveiled a sweeping plan to restrict the global sale of products containing Chinese rare earths. This time, Washington not only withdrew the offending measures; it also began easing restrictions on the sale of Nvidia's advanced AI chips. In a telling reflection of the shifting power dynamics, Trump started referring to the United States and China as the "G-2."

Washington's most powerful chokepoints are far harder to overcome than China's.

The rare-earth crisis underscored the importance of prioritization in the defense of U.S. economic security. Rather than a scattershot policy aimed at onshoring production across a wide variety of industries, Washington should identify the areas in which China holds meaningful leverage over the United States and its allies, and mitigate them through collective action. Beyond rare earths, that list includes potent chokepoints in supply chains for pharmaceuticals and clean energy technologies, particularly batteries. When Beijing imposed sanctions on Skydio, the largest U.S. drone manufacturer, the company was forced to ration batteries, limiting customers to one per drone. Chinese automakers now account for more than three-quarters of global electric vehicle sales, with BYD surpassing its American competitor Tesla as the world's top-selling EV company.

The Trump administration has downplayed this shift, emphasizing the abundance of U.S. fossil fuels. The United States may well be able to muddle through without a robust domestic clean energy industry. But the rest of the world is rapidly electrifying, a trend that the oil crunch caused by Iran's disruption of the Strait of Hormuz will surely reinforce. If Washington cedes the global clean tech market to Beijing, it will hand China immense economic leverage over everyone else.

Yet the United States does not need to fully substitute Chinese products. Wholesale replacement would be prohibitively expensive, time-consuming, and ultimately superfluous. Instead, policymakers should aim to establish parallel sources of supply that can be scaled up quickly when necessary, much as China is attempting in finance. Washington can defang China's rare-earth leverage, for example, by diversifying supplies just enough to break Beijing's monopoly.

Here, allied coordination is indispensable. Research by the economists Christopher Clayton, Matteo Maggiori, and Jesse Schreger has shown that when countries seek to reduce vulnerabilities independently, they risk triggering a "fragmentation doom loop," in which each country's exit from a shared market lowers the value of that market to those who remain, encouraging others to withdraw in turn. Washington's embrace of "Buy American" policies under both the Biden and the Trump administrations illustrates how unilateral efforts to shore up economic security can be contagious. In February, EU leaders advanced similar "Buy European" measures. Without coordination, allies risk sleepwalking into a quasi autarky that leaves everybody worse off.

The Trump administration's proposed trade zone for critical minerals represents a more promising path. Under the initiative, the EU, Japan, and other U.S. allies would set price floors, coordinate financing for mining and processing projects, and agree to source minerals from one another at stable terms. If successful, it could serve as a template for other strategic sectors, too. Reducing dependence, however, is just one part of the equation. The other is how rivals respond—and whether the United States can deter escalation.

WHO BLINKS FIRST?

Last April, the economist Adam Posen argued in *Foreign Affairs* that China possesses "escalation dominance" over the United States in economic warfare, meaning that no matter which weapon Washington reaches for, Beijing can always wield a stronger one. Given China's chokepoints in critical goods, Posen concluded, the United States should pursue détente until it can reduce its dependence on them. The logic of his argument—that the United States has no near-term answer to China's rare-earth weapon—has since become conventional wisdom in Washington. Some Trump officials have even invoked the former Chinese leader Deng Xiaoping's dictum "hide your strength, bide your time" to describe their rationale for avoiding confrontation with China.

Yet this perspective understates U.S. leverage. Washington's most powerful chokepoints—including the dollar, advanced semiconductor technology, and jet engines—are far harder to overcome than China's. Rare-earth processing is capital-intensive and environmentally destructive, but China's advantage is not technologically insurmountable. And if the United States can sustain its lead in artificial intelligence, the models that Silicon Valley firms produce could become the backbone of global business, handing Washington another chokepoint of extraordinary reach. To preemptively accept the futility of waging all forms of economic war would be to grant Beijing a de facto veto over U.S. policy in what the scholar Rush Doshi calls the "decisive decade" of U.S.-Chinese competition.

Washington can regain control over its China policy by establishing deterrence, developing credible escalation options that could force Beijing to back down. A useful precedent is the 2018 U.S. export controls on ZTE, the Chinese telecom giant. By severing ZTE's access to critical inputs, including Qualcomm chips, the first Trump administration pushed the company to the brink of collapse. Within weeks, ZTE declared that "the major operating activities of the company have ceased." It survived only because Xi personally asked Trump for a reprieve, which Trump granted.

Today, as in 2018, the United States has ample leverage to face down China or any other country in an escalatory scenario. What Washington has lacked is the political will to absorb economic pain. In the wake of the wars in Afghanistan and Iraq, successive U.S. administrations have come to rely on economic warfare as an alternative to military force, which they judged to be too politically costly. Now, Washington seems to lack the stomach even for economic warfare. Trump's second-term tariffs have followed a familiar pattern: the White House recoils as soon as markets dip or recession fears mount. The world has learned that Washington's Achilles' heel in economic conflicts is its low tolerance for pain.

Economic warfare is not just about which side can inflict the most damage on the other's GDP; it's about which side has the greater capacity to withstand it. Washington can improve its endurance by shoring up the domestic pressure points that frequently lead to political backlash. Fears of rising oil prices, for example, have hindered sanctions campaigns against Russia and Iran. In March, in an attempt to bring down oil prices after Iran closed the Strait of Hormuz, the Trump administration eased sanctions on Russian oil, delivering windfall profits to Moscow without extracting any concessions on Ukraine. It also lifted sanctions on some 140 million barrels of Iranian oil, effectively funding its adversary during wartime in pursuit of lower prices. Reducing the United States' dependence on oil could prevent prices at the pump from dictating Washington's strategy during geopolitical crises.

Most important, presidents should work harder to build public support when they wage economic war. Americans are far likelier to tolerate economic sacrifice when they believe the cause is just and the strategy is sound. Sometimes, presidents lag behind the public. After Russia's full-scale invasion of Ukraine, in 2022, U.S. President Joe Biden refrained from aggressive sanctions on Russian oil even though polling indicated that most Americans were willing to pay higher fuel prices to punish Moscow. But more often, the public lags behind Washington, especially if an administration makes little effort at persuasion. Trump's threats in January to impose tariffs on European allies unless Denmark sold Greenland to the United States ran headlong into broad public opposition, constraining the president's ability to use economic pressure recklessly. With the war in Iran reminding Americans of the grim toll of military action, elected leaders may find it easier to convince the public that economic warfare is a better alternative, even when it comes with financial costs.

If Washington intends to threaten economic retaliation to help deter a Chinese attack on Taiwan, credibility will be paramount. Beijing will ask a simple question: Is the United States prepared to sustain the economic consequences of escalation? The past year has given Chinese leaders reason to doubt. Unless that perception changes, they may conclude that the United States' economic arsenal is formidable on paper, but irrelevant in practice.

PAX ECONOMICA

The post–World War II economic order was built through international conferences and agreements—Bretton Woods, the General Agreement on Tariffs and Trade, the World Trade Organization.

Today, a new architecture is rising in its place, but rather than following a coherent blueprint, it is being built through unilateral economic interventions, with every new sanction, tariff, export control, and industrial policy haphazardly adding another brick to the foundation.

Policymakers routinely worry about the economic fragmentation that could result. In these pages in 2023, Kristalina Georgieva, the managing director of the International Monetary Fund, warned that the world economy could split into rival blocs, reversing decades of integration. But history suggests that blocs are hardly the worst possible outcome. The greater danger is chaotic fragmentation—the kind of every-nation-for-itself scramble that shattered the world economy in the 1930s and led to World War II. By contrast, during the Cold War, the dense economic ties of the Western bloc enabled the fastest economic expansion in American history.

Economic security and prosperity are not incompatible. They clash only when countries pursue security unilaterally. Coordinated fragmentation, in which the United States and its allies build trusted supply chains and align sanctions and industrial policies, can preserve the scale modern economies require while neutralizing the coercive power of rivals such as China and Russia.

Just as it championed globalization during the 1990s, the United States needs a positive vision of the new economic order it seeks to build. An economic security alliance—focused on addressing shared vulnerabilities in sectors such as pharmaceuticals, critical minerals, clean energy technology, and others in which China controls chokepoints—would be a strong foundation. A bloc-based world economy could serve the interests of both the United States and its partners if their bloc is large and cohesive enough.

The United States ushered in the age of economic warfare by learning to weaponize chokepoints. Now, other countries have learned to do the same. Its advantages have eroded not only because others have built competing forms of leverage but also because Washington has too often used its own advantages carelessly. To thrive in this period of rupture and shape the order that emerges from it, Washington must wage economic warfare in a more disciplined, coordinated, and strategically sustainable way. The alternative is a slide into economic fragmentation that leaves the United States less prosperous and less secure.

The New Trade Order

Restoring Balance to a Broken Global Economy

ROBERT E. LIGHTHIZER

At the annual meeting of the World Economic Forum in Davos this past January, dozens of senior officials from around the world sat alongside multinational CEOs, fresh off their private jets, and applauded Canadian Prime Minister Mark Carney for what they saw as speaking truth to power. Carney gave an address inspired by a 1978 essay by Vaclav Havel, who was then a Czech poet and Soviet dissident and later served as his country's first president in the postcommunist era. The essay, titled "The Power of the Powerless," sought to explain how the communist system survived. In it, Havel imagined a greengrocer who, like all the shopkeepers around him, places a sign in his window that reads "Workers of the World, Unite!"—even though none of them believe in the communist system. Havel called this "living within a lie" and argued that the Soviet dystopia could come to an end when that

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archetypal shopkeeper decided he could no longer play along and took the sign down.

Carney was there to tell his fellow leaders that they, too, were living within a lie. For decades, they had advertised their belief in an American-led international order and a U.S.-dominated global economic system that they did not, in fact, believe in—and Canada was done pretending. “We are taking the sign out of the window,” Carney declared, claiming that “great powers”—and in particular the United States—had weaponized economic integration to the detriment of his country and others like it.

Carney was casting himself as Havel’s greengrocer, challenging an empty myth and shaking off an oppressive but dying system. But this got things exactly backward. In the current fight over the global economic order, the person who most resembles Havel’s protagonist is not Carney but rather the main target of his ire: U.S. President Donald Trump. It was Trump who called foul on the prevailing economic order a decade ago, riding into office on a wave of anger at the status quo. It was Trump who charted a new path built on a more balanced approach to trade. It was Trump who took the sign out of the window.

Trump’s agenda represents a necessary first step toward what should be Washington’s larger, more ambitious goal: replacing a defunct old trading system—predicated on illusions and vulnerable to abuse—with a new one built on the principles of balance, transparency, and sovereignty.

A FLAWED INHERITANCE

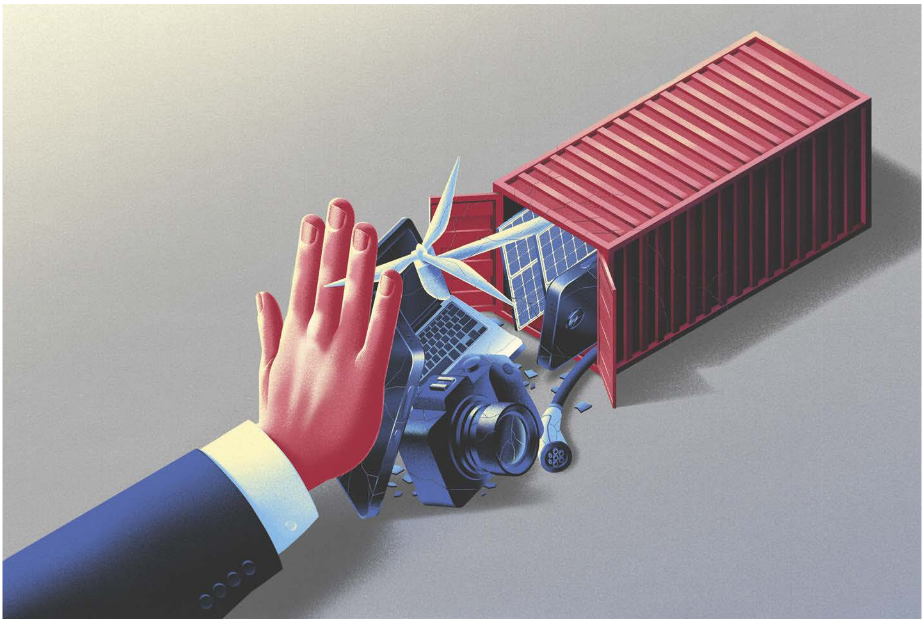
The postwar trading system arguably began at the Bretton Woods Conference in New Hampshire, in 1944. The object of that gathering was to stabilize the international monetary system, support postwar reconstruction and development, and promote global economic growth and international trade. The agreement established the International Monetary Fund and an institution that later became the World Bank. Nearly four years later, the final piece of the new global economic structure was proposed in Cuba with the signing of the Havana Charter, which sought to establish the International Trade Organization. The U.S. Congress never approved the ITO, however, because American leaders correctly feared that doing so would cede too much sovereignty to an international bureaucracy. Eventually, the proposed ITO morphed into the General Agreement on Tariffs and Trade, which the United States did join. The system the GATT fostered was flawed, but it was composed of countries that were generally democratic and had at least some commitment to market principles in their economies. Notably, it did not include any geopolitical adversaries of Western democracies.

But after the collapse of Soviet despotism, hubris warped this system. Many economists and business leaders, dazzled by the triumph of market forces over communism, came to see the rise of what they called "free trade" as a victory of good over evil. The result was the emergence of a new, extreme economic orthodoxy that, when put into practice, over time hollowed out working classes in developed countries all over the world while enriching elites, and that helped developing countries only as long as they managed to avoid playing by the rules.

As the trade deficit grew, the United States lost millions of good jobs.

Short-sighted leaders in the United States aided and abetted this process throughout the 1990s and early 2000s. In 1994, Congress passed legislation that helped establish the World Trade Organization, which supplanted the GATT. The WTO featured a binding dispute-resolution system that transformed the trade body into a tribunal that often created new obligations for members. A year earlier, responding to prodding from the George H. W. Bush administration and under the leadership of President Bill Clinton and Republicans, Congress enacted the North American Free Trade Agreement. This agreement essentially added Mexico to an existing U.S. free trade agreement with Canada, despite Mexico's fundamentally weaker regulations and lower wages, which encouraged rapid offshoring. Congress shortly thereafter approved "permanent normal trade relations" with China, giving it irreversible "most favored nation" treatment, and cleared the way for China to join the WTO in 2001—all of which led to the "China shock" that ultimately destroyed almost five million U.S. jobs and contributed to 25 years of relatively slow economic growth in the United States. This hyperglobalism marked the beginning of the end of the postwar regime that had been created at Bretton Woods.

The promise of free trade rested on the fundamental principle that a country should export in order to import: that is, to use trade



ADRIÁN ASTORGANO

to improve the standard of living of its own citizens, as well as those of its trading partners. Yet by the 1980s, most countries had concluded that running a trade deficit was bad and running a trade surplus was good. A consistent trade surplus made a country richer by allowing it to buy assets abroad, including equity, debt, real estate, and technology. A consistent deficit, by contrast, made a country poorer by transferring ownership of its assets overseas in exchange for current consumption. Only the United States and some other anglophone countries failed to reach this judgment. By the early 1970s, the United States had gone from consistent trade surpluses to trade deficits. By the early 2000s, those deficits had become very large. And in recent years, they have become massive: from 2020 to 2024, the U.S. trade deficit in goods grew 40 percent, to $1.2 trillion.

As a result of these deficits, the United States has transferred trillions of dollars of wealth overseas. By 2025, the net international investment position of the United States was negative $27 trillion: in other words, foreign interests own $27 trillion more of U.S. assets than the United States owns of theirs. This represents an increase of more than $20 trillion in just the last two decades. In surrendering this wealth, the country also surrendered American children's future claim to income from it. The renowned investor Warren Buffett has likened the situation to a farmer selling off his land to finance current consumption. He may live well for a while, but eventually he will have neither his farm nor anything to consume.

Along with this wealth transfer, the United States has seen slower economic growth. Since 2001, it has grown at an annual rate of about 2.1 percent. From the end of World War II until the year 2000, that number was nearly 3.2 percent. Before 2000, the United States could expect annual GDP growth of more than three percent during about 14 of every 20 years. Since 2000, the country has experienced just three years of growth over three percent, and one of those was the aberrant post-pandemic recovery year. Essentially, the country has not seen historically normal growth in over 19 years—and the Congressional Budget Office now projects an average annual growth rate of just 1.8 percent between 2027 and 2035. Many factors have contributed to this slowdown, but the trade deficit is a major driver. It's simple arithmetic: negative net exports subtract directly from GDP.

As the trade deficit grew, the United States also lost millions of good jobs, primarily in manufacturing. In 1999, this sector employed around 17.3 million people—around the same number as in 1970. Today, the number is around 12.6 million. Productivity gains accounted for some of this decline, but they hardly explain all of it. Meanwhile, wages stagnated. Real median household income, for example, has grown by only about 17 percent during the past quarter century (from about $72,000 to $84,000 in 2024 dollars); it grew twice as much in the quarter century before that. One can drive through hundreds of American towns and cities and witness the hollowing out of previously thriving industrial communities—a natural result of the loss of jobs and the outflow of wealth. And the consequences for American workers go beyond mere economic effects. Today, the roughly two-thirds of the country's workforce that does not have a college degree, a proxy for working-class wage earners, lives eight fewer years than college graduates, on average—a gap that was as small as two and a half years as recently as 1992. This phenomenon results largely from what the economists Anne Case and Angus Deaton have termed "deaths of despair": fatalities that result from suicide, drug overdoses, and alcohol abuse that pervade postindustrial American communities.

THE FINE PRINT OF FREE TRADE

To be sure, many factors other than trade have contributed to this socioeconomic malaise. And trade has had some salutary effects. The system born at Bretton Woods played a role, along with U.S. military power, in winning the Cold War, ushering in a period of relative peace, and solidifying Washington's global leadership. Trade with the United States helped Europe and Asia rebuild after the calamity of World War II. But by the dawn of the twenty-first century, the relatively measured postwar trading order, which to some extent balanced national economic growth with international development, had mutated into the hyperglobalized system of the post–Cold War era, which dispensed with such restraints, exposing the myths and faulty assumptions on which the system had always relied.

First among these was the false promise that if the United States opened its markets and exposed its industries and workers to global competition, other countries would do the same. Both exports and imports would increase, and standards of living would rise for all. The unstated assumption was that, when organizing their economies, all countries would play by the same rules. In reality, as the economist Michael Pettis has extensively documented, "free trade" became a euphemism for the United States acting as the world's consumer of last resort. If other countries used industrial policy to create excess capacity at home, they could always depend on the United States to buy it.

As a result, trade negotiations in the 1980s and 1990s became odd rituals at which officials from around the world would pay lip service to the ideal of free trade and insist on open markets in the United States and European countries—while maintaining barriers to their own. Strange concepts crept in, such as "special and differential treatment" for any self-proclaimed "less developed country." Countries proclaim themselves to be "developing" in order to avoid new restrictions; that is what Saudi Arabia does, even though its per capita annual GDP, adjusted for purchasing-power parity, is higher than that of many prosperous Western European countries. Eventually, it became clear that the rules did not apply equally, and that some countries could raise tariffs (and protect their markets in other ways) while others could not. The reason this was necessary also became clear: everyone agreed, quietly, that free trade did not truly help countries develop—unless they were allowed to break the rules.

The trouble was not only that, in practice, free trade involved inconsistency regarding tariffs. It was also that tariffs themselves

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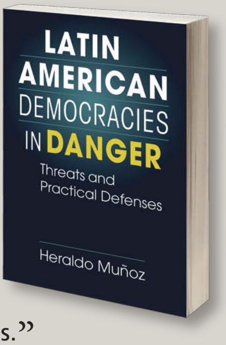
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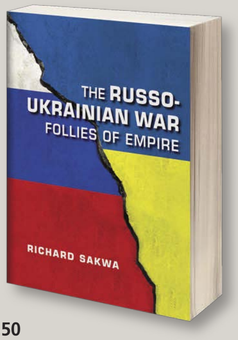
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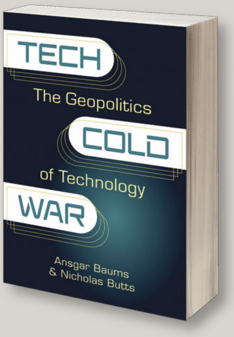
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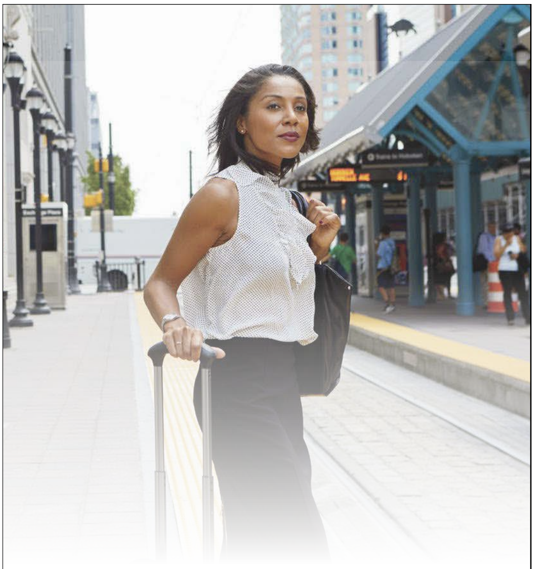

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were misunderstood as posing the largest obstacle to trade, well past the point at which that was the case. By the 1970s, average tariffs were quite low in most developed countries and had been substantially reduced in many developing ones. Far more detrimental to the cross-border movement of goods were the nontariff barriers that countries imposed, including distortionary tax systems, such as value-added taxes that raised import prices and subsidized exports, state-influenced banking systems that provided low-interest loans for export industries, environmental and health and safety regulations that were based not on science but on the need to protect domestic industries, weak labor laws designed to help manufacturing bosses at the expense of workers, policies that devalued currencies to boost exports and impede imports, and extensive direct and indirect subsidies that gave an unfair advantage to domestic production.

Tariffs are only one part of Trump's strategy.

For decades, bureaucrats tried to negotiate over these practices. But by the 1990s, it had become clear that, because they sat at the heart of countries' regulatory regimes and societal structures, they were essentially nonnegotiable. International trade talks more or less ceased. Indeed, the world has now gone 25 years without genuine multilateral trade negotiations, after decades in which rounds of talks occurred every few years. In the WTO's early years, the United States and European countries made disproportionate concessions in negotiations to induce less-developed nations to participate. Over time, however, this became more difficult. More and more poorer countries joined, and richer countries had fewer and fewer concessions to offer. And the increasingly judicial nature of the organization removed incentives to compromise: Why negotiate when you can sue?

The imbalances produced by free trade became ever more entrenched as countries began to rely on industrial policy to perpetuate persistent trade surpluses. Germany, for example, ran small surpluses in the years following reunification in 1990, averaging about 0.5 percent of its annual GDP. But that changed after the country adopted the euro in 1999 and made major reforms to its labor laws between 2003 and 2005. The euro did not strengthen as a result of German trade surpluses in the same way that a national currency would have, because the currency's value reflected the trade balances of other countries in the eurozone. This made German exports relatively cheaper and more competitive globally. It also increased the cost of imports to German consumers. The labor law reforms tilted the playing field to favor management over labor, reducing unemployment benefits and making structural changes that reduced wage growth, lowering production costs and domestic consumption at the same time. As a result, for the past two decades, Germany's surplus has averaged a staggering nearly five percent of its GDP.

Perhaps the starkest example of a country that talked free trade but walked industrial policy was Japan. During the 1970s and early 1980s, Tokyo aggressively manipulated its currency to keep it weak, offered large subsidies to Japanese companies, provided manufacturing industries with interest-free loans, and largely kept its home market closed. Japanese goods, including machine tools, steel, electronics, automobiles, and semiconductors, flooded world markets. The principal victim of this successful industrial policy was the United States. As Japan's companies grew, American ones suffered. One of my fondest memories of my time as U.S. trade representative involves a meeting I had with senior Japanese officials in 2017. They showed me a series of charts demonstrating how China was taking advantage of the free trade system by using currency manipulation, subsidies, and state-owned enterprises to decimate other economies. I smiled and told them that, in my role as deputy U.S. trade representative in the 1980s, I had used very similar charts to explain Japan's behavior.

Still, the Kabuki theater called "the rules-based international trading system" could have kept going for another decade or two. The old system theoretically provided cheap goods, even as it cost the United States its industrial resilience and destroyed American jobs. But the nature of the problem changed dramatically in the early 2000s, when China came on the scene. The communist government used all the tools Japan did and added a few of its own, including economic espionage and technology theft. Chinese officials applied a level of focus and organization, as well as a degree of manipulation and a volume of subsidies, that had not been tried before. A recent IMF study found that China's subsidies to certain key sectors are equal to about four percent of its annual GDP—about $800 billion a year. For perspective, that is only a little less than the entire annual GDP of Switzerland. In short, the countries victimized by free trade went from death by a thousand cuts to death by quick butchery.

BALANCING ACT

Abuses of this sort are what Trump is referring to when he says that the United States is tired of getting ripped off. His solution has been to start crafting an American industrial policy. Last year, he imposed tariffs on nearly every country in the world, levying relatively low duties on countries with which Washington had a surplus, higher ones on those that run moderate surpluses with the United States, and even higher ones on the countries with the most aggressive and predatory industrial policies. In February, the Supreme Court ruled that Trump had erred by relying on the International Emergency Economic Powers Act to establish his tariffs. I agree with the three justices who dissented and argued that the law grants the president the power to impose tariffs in response to the national emergency he declared last year, which stems from trade imbalances with foreign countries. The majority disagreed, but the decision does not seem to significantly change the leverage the president has in dealing with the trade issue, and the administration is working to use other statutes through which Congress explicitly delegated tariff authority to the executive branch.

But the tariffs are only one part of Trump's strategy. He has also entered into agreements with a number of countries to open new markets to U.S. exports of agricultural and other products, and he has secured pledges from many countries to make significant new investments in American industries. To reduce U.S. dependence on hostile countries for critical minerals, he has established a nearly $12 billion Strategic Critical Minerals Reserve, invested billions of dollars in public-private partnerships to develop mines and processing facilities, and reached agreements with U.S. allies to jointly develop such resources. The result is a coherent defensive program that responds to the distortionary economic policies of other countries and builds economic security for the United States.

These moves could bring the United States closer to a more ambitious goal: a new global trade order, agreed to by Washington's major liberal democratic trading partners and enshrined in international agreements and U.S. law. Taking the sign out of the window and rejecting the old system were essential; the next step should be building a new one. The primary objective of this new order must be to provide for economic and national security. This means preventing the transfer of U.S. wealth to any geopolitical adversary. It also means maintaining government programs to ensure that critical and strategic industries can thrive and become the best in the world. A system of international rules that limits subsidies and protection when it comes to national defense (and sectors adjacent to it) is not in any country's national interest. The United States must be able to produce advanced fighter planes and bombers, missile systems, and sophisticated air defenses. But it must also be able to produce semiconductor chips, create the steel and aluminum that form the castings and forgings from which those tools are built, and construct the factories.

The second objective of a new trading system should be to ensure strong economic growth—and, critically, to maximize its effect on the whole country, fairly distributing the benefits by creating fulfilling, high-paying jobs for the vast majority of its citizens. The benefits flowing to labor should be at least as great as those flowing to capital. A new trade system should also prioritize lowering the cost of living for ordinary Americans, as long as doing so would not jeopardize the other objectives. Finally, a new system must be perceived as fair. It will survive only if working people believe it helps them. It cannot entrench a small, permanent elite.

The way to build a new trade order that achieves those objectives is to lean on the broader principle of balanced trade. This does not mean attempting to achieve balance in every bilateral trade relationship: in some cases, longer-term bilateral trade imbalances are beneficial to both sides. But every country should agree to maintain an overall balance in its international trade, not on an annual basis, since exigencies might make a deficit in any one year benign, but averaged over a reasonably short period—say, three years.

Under such a system, with clear benchmarks, the benefits of trade would be maximized for all participants. All would be free to change policy to achieve the objectives necessary for political and societal cohesion. But they would not be allowed to externalize the cost of those policies. Eliminating pervasive imbalances would have global benefits and would ensure that resources could be more efficiently distributed around the world. It would penalize predatory and distortive practices, such as China's massive domestic misallocation of resources, which has harmed the economies of other countries by making it difficult for them to properly allocate their own resources.

Participants would establish objective methods of officially determining each other's exports and imports. Countries that achieved balance would be subject to a low-tariff regime by the other countries in the group. Those that breached the agreement by running surpluses over a period would face higher tariffs from the other members until they came into alignment and achieved balance. The least developed countries would be free to run deficits if they determined that this would assist their short-term development needs. Countries outside the new regime would be subject to much higher duties.

Participation, in principle, would be open to all. Countries that have traditionally run surpluses would have to make a choice: either agree to balance their trade or face higher tariffs that would assure their surpluses would disappear anyway. Most would likely join. But it is hard to imagine that countries such as China would ever agree to a regime requiring balanced trade. And even if China were willing to join, the other members would need to determine whether the inclusion of an aggressive, totalitarian, Marxist-Leninist country would be in their interest or create intolerable vulnerabilities. For example, is it in any country's interest to have critical supply chains run through a geopolitical competitor? Participants would have to address similar questions regarding the inclusion of Iran, North Korea, and Russia.

There are at least two other possible enforcement mechanisms the new system could use besides tariffs. Countries could require any company wanting to import a good or service into its home country to buy a certificate from a domestic exporter of an equal value of any goods or services. Buffett, among others, has suggested such a system as a method of achieving balanced trade. In practice, however, it might be unwieldy and too bureaucratic. Another idea would be to allow member countries' central banks to impose a "market access fee" on all incoming investments, thereby reducing the value of foreign countries' surpluses. This, over time, would slowly devalue the deficit country's currency and lead to balance. But this approach, which has been proposed by some members of Congress, is difficult to explain and might look like a tax on incoming investment, which would likely prove unpopular. Compared with these alternatives, tariffs are flexible and easy to enforce, and every country already has a legal structure to deploy them. They are the simplest mechanism.

In practice, members would maintain their current basic trade commitments. The fundamental notions of most-favored-nation and national treatment would persist. These concepts—which assure that countries treat all other countries alike when it comes to trade and treat foreign companies the same as domestic ones—are the bedrock of the old system, and they would still apply to participants in the new one. Participants would also need to apply rules related to transparency and fair competition, such as requirements to publish regulations and the protection of patents. Further negotiations could determine which other current commitments fit into the new scheme.

A new system should lean on the principle of balanced trade.

A new international trade regime based on commitments to maintain balance would lead to a better distribution of resources across the global economy, generate broadly shared benefits for participating countries, and ensure predictability. The development of sectors within each economy would be subject to the laws of supply and demand and, where appropriate, to national governments making changes needed for societal cohesion. This system would stop the flow of wealth to Washington's rivals and would put pressure on the beggar-thy-neighbor industrial policies of its allies. Balanced trade would allow governments to adopt practices designed to create high-paying jobs without forcing other countries to pay for them.

Establishing a new international system is always difficult. In this case, surplus countries would resist, and some companies and groups in deficit countries would echo their arguments. China would oppose such an agreement not only because it would disadvantage Beijing's predatory economic model but also because it would encourage cohesion among Western democracies. But Chinese opposition to change should not be a reason to maintain the status quo. And a new, cooperative system would be a far better outcome than the ad hoc steps that global players—not only the United States but also Mexico, the European Union, and others—are currently taking to reduce their trade deficits and neutralize the unfair practices of others.

Trump has removed the sign from the United States' window. There is no going back. The path forward is clear. 🌍

The Tech High Ground

What It Will Take to Gain the Advantage Over China

JAKE SULLIVAN

The countries that prevail in great-power rivalries are those that adapt. Athens and Sparta and their allies constantly innovated so their navies could outperform one another. During the Cold War, the United States and the Soviet Union spent nearly two decades engaged in a space race. Now, technology is the central front in U.S.-Chinese competition and in the broader contest to shape the world, and the United States must adapt again. This rivalry is playing out across frontier sectors including semiconductors, artificial intelligence, biotechnology, and clean energy. To prevail, Washington needs a clear definition of success and a clear and consistent strategy for how to achieve it.

For decades, U.S. policy toward China rested on a quiet but powerful assumption: Beijing was essentially running the same race as the United States, just a few steps behind. China was seen as a copycat—

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Illustration by Ūla Šveikauskaitė

adept at imitation, lagging on innovation, and ultimately dependent on access to Western technology. The American lead was assumed to be durable, perhaps even self-sustaining.

That assumption has not been borne out. China has moved beyond simply chasing American innovation. It is pursuing a different theory of power: one that places production, scale, and control of critical inputs at the center of its national strategy. As the United States has focused more narrowly on maintaining its lead in innovation breakthroughs, confident that these would cascade naturally into economic, military, and soft power, China has focused on the cascade—aiming to translate technological advances into applied capabilities across its economy and national security enterprise. In other words, while the United States has been running one race, China has been running another. Although this shift unfolded gradually, its consequences are now impossible to ignore. In sector after sector, China has built or is building dominant positions in many of the foundational layers that underpin the modern economy.

The point of this contest is not simply to "beat" China.

Americans tend to see the competition as a race to a finish line—a contest to see which country reaches the next exciting innovation first. But that framing is misleading and counterproductive. This contest has no end date. Success will not manifest as a single moment of triumph with one side declaring victory. Nor will it come from running fast in a single lane. Instead, this competition will extend indefinitely, across a wide variety of sectors. It is no longer enough to be the first to discover new advancements if others are faster at deploying them, or to lead in design if the inputs and capacity vital to production sit beyond the control of the United States or its allies. Washington's goal must be to establish all these forms of advantage at once.

The point of this contest is not simply to "beat" China. If the United States pulls ahead of China on some relative metric but fails to deliver on making its people more secure or creating greater opportunity for them, then it will have failed—full stop. Success will require fostering a techno-industrial base that drives continuous innovation, rapidly adapting the U.S. military to deter major conflicts, and spreading American digital infrastructure and standards, all while remaining open to cooperation with China over shared interests to prevent a race to the bottom that leaves the whole world worse off.

Securing these objectives must be the central task of American statecraft in the twenty-first century. Doing so will require changes in mindset that transcend partisan boundaries and persist across multiple administrations. But locking in those changes now is urgent, because technological power is translating directly and rapidly into geopolitical power to a degree the world hasn't seen in years. And for the first time in a long time, the United States is facing a genuine peer competitor.

I DID IT MY WAY

Becoming a leader in global technology has become a central organizing principle of Chinese state power. Beijing's industrial policy is shaped around this goal, and its strategy is designed for the long term. Chinese leaders are seeking to make the rest of the world dependent on China while making China independent from everyone else. And they have assessed that to achieve this, China does not need to lead in every frontier domain. Instead, it needs to control nodes of leverage—that is, the inputs and systems that advanced economies and militaries depend on to function. Beijing has already captured several of these nodes, including processed rare earths, precursor ingredients for pharmaceuticals, and batteries, and it is striving to capture others, such as robotics.

China has also gotten much better at technological breakthroughs. After capturing the battery supply chain, for example, it has been able to race ahead in battery innovation, now producing more than 70 percent of the world's lithium-ion batteries and controlling roughly three-quarters of global battery cell manufacturing capacity. It is now trying to repeat this pattern in the biotechnology industry.

China's execution of this sweeping strategy is made possible by its political system. Unlike Washington, Beijing has the centralized authority to direct vast national resources toward national objectives with speed and coordination. State banks, industrial policy, procurement, and regulation all move swiftly in concert. There is no meaningful separation between the military and civilian realms, so civilian technological breakthroughs flow directly into the national security enterprise. And the state is unencumbered by free-market constraints, which means it can mobilize inputs at a staggering scale and subsidize intense competition, in which most recipient firms fail but a few champions emerge that can dominate a global industry. Short-term inefficiency and massive capital misallocation are tolerated in service of long-term gains; there are no voters asking their elected representatives whether their tax dollars could be put to better use.

The United States has long dismissed the Chinese system as too rigid for frontier innovation. And there's no question that the American system—democratic and capitalist, with a limited government, world-class universities, strong intellectual property protections, and a free-market system in which winners and losers emerge on their own—has produced a dazzling lineup of transformative breakthroughs. The United States cannot replicate China's approach, nor should it want to. But Americans must find their own way to compete on this broader playing field—not only innovating but also producing the advanced technology and controlling the vital inputs that will power their economy and defense industrial base.

SYSTEM UPDATE

An effective American technology strategy would aim to establish and protect four areas of high ground. A high ground provides an enduring structural advantage. It delivers concrete, measurable results that connect policy to the real lives of the American people. First, the United States must revitalize its techno-industrial base, not only to preserve its position at the cutting edge of innovation but also to generate enough production capacity to produce advanced technologies at scale, across diversified and resilient supply chains and in cooperation with allies and partners. The U.S. military, for its part, must focus on rapid innovation and adaptation, which will be critical for deterring aggression in multiple theaters and, in particular, for maintaining peace and stability across the Taiwan Strait. Washington must also build a democratic digital order that makes American technology the prevailing model, protected by high safety standards, financed transparently, and in respect of human rights and data privacy. Finally, this approach must establish a floor of stability in the U.S.-Chinese relationship and create meaningful cooperation between the two countries to prevent a race to the bottom that hurts everyone.

These high grounds are mutually reinforcing. A revitalized techno-industrial base would support military power and economic resilience. Military innovation that deters a war over Taiwan would protect American industry and preserve a dynamic global economy. A global digital order that enshrines democratic values rather than authoritarian ones would create an economy in which people of all backgrounds and beliefs can participate freely. And so on.

Three families of technology will be essential to this strategy. The first is computing, which includes semiconductors, quantum information systems, and, especially important, artificial intelligence. The second is biotechnology and biomanufacturing, from drug discovery to the synthetic production of construction materials. The third is clean energy, especially the "electric stack" of batteries, motors, chips, and power electronics. Advancements in these three groups will underpin progress in the others: more computing power and clean energy will improve AI capabilities, and more advanced biotechnology and a more powerful electric stack will translate that progress into scientific and industrial gains.

If the United States succeeds in claiming and holding these areas of high ground, it can create durable leverage. But if it fails to do so, it will risk not only falling behind in innovation but also losing a critical degree of freedom. American economic dynamism and military deterrence will erode as the country's industrial strength hollows out and pressure from adversaries weakens Washington's ability to control supply chains for key military technologies. As fear of retaliation builds, the United States will find it more difficult to impose protective countermeasures against foreign coercion or unfair practices—by China or anyone else. And as the United States' global influence diminishes, so will its ability to deliver opportunity and security to Americans.

TECH SUPPORT

In recent decades, an assumption took hold in the United States that technological design and research were inherent American strengths, while manufacturing was a cost center that could safely migrate offshore. But it has become increasingly clear that innovation cannot be severed from production, because when manufacturing leaves, process engineering know-how follows. Over time, that knowledge outflow erodes the feedback loops that sustain technological leadership. History has shown the value of investing in a diverse and resilient manufacturing base. The economists Daron Acemoglu and Simon

Johnson have chronicled how, during the Industrial Revolution, people with backgrounds in the trades became the innovative engineers who pushed inventions forward. A country whose people stop building and tinkering with technologies will lose its capacity to advance those technologies. And a country that allows its general industrial base to atrophy—surrendering institutional knowledge, control over supply chains, and an overall depth and diversity of production—will have a harder time building strength in specific crucial sectors. The United States cannot allow that to happen.

To revitalize the United States' techno-industrial base, Washington must pursue a national strategy with a two-track approach: first, promoting innovation and advanced manufacturing, and second, protecting those advances from unfair competition and malign use. Promoting innovation demands that the United States better leverage its human, financial, and strategic capital. That starts with immigration policies that make it easier for the best scientific and engineering talent to come to the United States—and then stay. A high concentration of engineers in key areas such as AI are from other countries, but it is clearly in the U.S. interest for those highly skilled workers to build their careers in the United States. The U.S. government should also supercharge federal funding for R & D, restoring the historic high levels of the 1960s; a major injection of basic research funding would provide a greater strategic return on investment than any other federal expenditure. And investing in clean energy projects would help provide the necessary foundation for plentiful electric power, which would support technologies such as AI without leading to an explosion in electricity prices and harmful environmental consequences.

When manufacturing leaves, engineering know-how follows.

Legislative milestones such as the 2022 CHIPS and Science Act and the 2022 Inflation Reduction Act, which focused on building capacity in the U.S. semiconductor and clean energy sectors, demonstrate how government action can promote manufacturing. But a more comprehensive and integrated industrial strategy is needed. One model is Operation Warp Speed, the government initiative launched by the first Trump administration during the COVID-19 pandemic to develop and deploy a vaccine as quickly as possible.

The operation's success demonstrates that the U.S. government can coordinate risk, demand, and supply quickly when the objective is clear and has political support. The United States should launch a similar mobilization to develop domestic production of frontier technologies such as advanced batteries and drones and to deploy more advanced robotics and AI in U.S. factories. This approach will especially help small and midsize manufacturers that lack the capital and in-house expertise to modernize and scale on their own. Any successful policy must also focus on helping workers move into high-skill roles rather than treating them as expendable.

In practice, this means deploying a coordinated toolkit to spur private investment in sectors that are strategically important but not yet attracting the capital they need to grow. Measures should include boosting targeted public investment, setting price floors, leveraging government purchasing power, and creating incentives for companies to sign long-term purchase contracts with domestic producers, as well as advancing reforms in the permitting process for production and construction, which can currently drag on for years, if not decades. The steps the second Trump administration has taken to invest more in domestic processing capacity for heavy rare earths and magnets, building on the Biden administration's initial moves in this direction, are good examples of putting this toolkit to work.

A successful industrial strategy also depends on a coherent answer to a simple question: Which industries are strategically important? This is a matter of judgment and discretion. The Biden administration viewed the auto industry as strategic because it has extensive industrial capacity that can be redirected in a crisis, such as during the push to build ventilators during the COVID-19 pandemic, and because it is a major customer for other industries, from steel and aluminum to glass and electronics, which means that when the auto industry is thriving, the ripple effects are felt across a number of industries. Other administrations might make different determinations as to what is on the list, but to ensure rigor and clarity, they should establish specific criteria that explain those choices. The scholar Chris Miller has proposed that these criteria include sectors that have a clear national security nexus, are prone to concentration and monopolization, cannot be readily reconstituted in a crisis, and have major positive effects on their industrial ecosystem.

Some argue that in at least one frontier sector—clean energy—the United States should pull back from competing and accept that China will become the world's foundry for speeding the energy transition. According to this line of thought, if China wants to subsidize cheap solar panels, electric vehicles, and batteries for the rest of the world, the United States should let it happen; after all, Americans could then buy cheap products from China. But the world is only a fraction of the way through the clean energy transition. Saying "game over" now would be wildly premature. And ignoring clean energy now would lead to a new form of U.S. energy dependence just as the United States has shed its old one on foreign oil. Electric vehicles and the supply chains that allow for their production are examples of exactly the kind of clean energy industries that American workers should be building. At the same time, Washington has to apply industrial strategy to the biotech industry, to reverse the offshoring of contract research organizations (which help biotech companies run trials and conduct research) to China.

These investments must also be made with resilience in mind. China has already demonstrated its willingness to weaponize dependencies by cutting off processed rare earths and magnets in response to trade disputes. There are those who reasonably ask whether full supply chain resilience is actually possible; even as Washington addresses some vulnerabilities, others remain, and still others might emerge. It's true that complete, permanent resilience in all critical goods is likely out of reach. But it's still better to have fewer areas of vulnerability: in gambling terms, it reduces the number of high cards in an opponent's hand, which can matter in a multistage game. To start, Washington should focus on high-priority inputs—those in which restrictions by China would have broad and immediate effects on the American economy and those in which remediation is operationally challenging and slow to materialize. This was the thinking that led the Biden administration in 2022 to use a broad set of authorities under the Defense Production Act to secure a reliable and sustainable supply of the materials necessary for large-capacity batteries: lithium, cobalt, graphite, nickel, and manganese.

The goal of this strategy should not be self-sufficiency—it should be diversification. This will require working with allies and partners. Kurt Campbell and Rush Doshi, who both served in the Biden administration, have written in these pages about the pursuit of “allied scale”—an approach in which the United States and its partners would coordinate their industrial strategies so that investments made by one country would reinforce collective capacity. If the United States, Europe, and other partners aligned on “de-risking” from China and harmonized their technical standards in key industries, they could build a thriving production ecosystem that no single country could sustain alone. This was the Biden administration’s goal when it coordinated policies with the European Union, the G-7, and other key partners. Unfortunately, the Trump administration has undermined allied alignment. Future administrations must undertake a determined diplomatic effort, likely over many years, to regain credibility with allies.

Finally, efforts to promote innovation must focus not only on invention and production but also on diffusion—making sure those inventions are widely used. As the political scientist Jeffrey Ding has shown, increasing total factor productivity—that is, the amount of output produced from a set number of inputs—starts with building, but it doesn’t end there. Sustained success in technology competition requires that inventions be adopted across the economy and national security enterprise. During the Cold War, that is where the Soviet Union failed and the United States prevailed.

SMALL YARD, HIGH FENCE

Promoting innovation and manufacturing, although vital, is not sufficient to build a resilient techno-industrial base. A new U.S. strategy must also include active mechanisms to protect that base. Take the unfair trade practice known as “dumping.” Across many sectors, China is selling its excess production in global markets at below-market prices, forcing competing manufacturers out of business while Chinese firms remain dominant. To push back against such tactics, a modern industrial strategy must include tariffs that target Chinese goods in strategic sectors such as electric vehicles and semiconductors but not the broader Chinese economy. Many other countries—including some, such as Brazil, that are not always in step with U.S. interests—are concerned about Chinese overcapacity and are pursuing their own countermeasures.

The United States must also protect its most advanced technologies from potential misuse. At the heart of this agenda are advanced semiconductors, which are critical for expanding the computing power needed for a sustainable lead in AI, which would, in turn, accelerate progress across virtually every other domain of science and military power. Full decoupling with China would be unwise; the flow of goods in nonsensitive areas such as agriculture and basic household products has benefited American families. But relaxing export controls on advanced computing amounts to voluntarily surrendering one of the most decisive advantages the United States and its allies possess today. Policymakers should not be deterred by those who suggest that existing U.S. export controls have backfired by driving China to build its own domestic semiconductor supply chain. Chinese leaders had already declared this to be a top national priority and poured a massive amount of attention and public resources into the country's domestic chip sector before those controls were contemplated.

The best approach is the one I have described as "small yard, high fence." This means being selective in what the United States controls (a small yard), focusing only on the most sensitive technologies that will define national security and strategic competition, and then securing this small yard with tight restrictions (a high fence). This is how the Biden administration handled chip controls. Its export controls on exquisite biotechnology equipment and restrictions on U.S. investments in China's production of sensitive technologies, such as quantum computing, are further examples of how this approach works in practice.

Finally, any meaningful protection agenda must safeguard American citizens' and companies' sensitive data and critical infrastructure from infiltration by Chinese state-sponsored cyber-actors. This threat is real; such actors have previously pre-positioned malware on American IT networks. To better protect Americans from hostile intrusions, Washington must distinguish threat levels for different kinds of technologies—such as cranes, hobbyist drones, and household appliances—that rely on or are linked to Chinese technology in ways that make them vulnerable to foreign manipulation or surveillance.

LARGE LANGUAGE MILITARY

Another key dimension of an effective U.S. technology strategy would be to enhance military innovation aimed at deterring major conflict. A war over Taiwan would trigger a global economic shock of historic proportions. Washington's top military priority must be to deter such a war, and its success will depend in large part on whether the U.S. military adopts new technologies and shares them with partners.

The old maxim that quantity has a quality of its own holds true for technological breakthroughs in software and hardware. Cheap and abundant aerial drones, uncrewed surface vehicles, and distributed sensors will be crucial to imposing prohibitive costs on an adversary, even as high-end capabilities, such as long-range precision strikes, and legacy systems, such as those for clearing mines, remain vital. So will new operational concepts and updated frameworks for command and control. The military cannot fight the wars of the future with battle plans from the past. The Biden administration's National Defense Strategy, for example, established "integrated deterrence" to encompass the many domains and platforms that these new technologies offer. This kind of diffusion will ensure that U.S. and partner forces retain the ability to sense, maneuver, and strike even under heavy missile attack or cyber-disruption.

Competition is not inconsistent with cooperation.

Artificial intelligence is central to these shifts. AI-enabled systems already play a growing role in optimizing logistics, analyzing intelligence, detecting cyber-vulnerabilities, and identifying military targets. Over time, these AI systems will increasingly shape how militaries train, plan, and fight. China, for its part, is already integrating AI capabilities to bypass traditional U.S. advantages such as battlefield awareness and logistics optimization. Washington must up its game. Deploying AI across the U.S. national security enterprise will require cultural as well as organizational change, including new approaches to acquisition and procurement and protocols around joint human-machine teams.

It is vital that these policy frameworks prioritize the responsible adoption of AI by the U.S. national security community. The debate over the Pentagon's ability to use large language models to surveil U.S. citizens or to build lethal autonomous weapons has revealed that norms for the military use of AI have not caught up with its capabilities. The United States must hammer out a consensus grounded in law and values to ensure that AI is used both ethically and effectively. Doing so will make competing in military innovation more challenging, since rivals are unlikely to be bound by the same principles and guardrails as the United States. But it is nonetheless essential.

Effective military innovation cannot rest on U.S. capabilities alone. It must be built on networked defense, integrating advanced technologies across allied militaries in ways that multiply rather than merely aggregate power. Partnerships such as AUKUS, a security arrangement among Australia, the United Kingdom, and the United States, illustrate what is possible. AUKUS is generally perceived as a narrow deal involving nuclear submarines, but it is better understood as a technology accelerator—a mechanism for effective technology transfer and capability deployment in areas such as GPS-free quantum navigation and undersea warfare. NATO, for its part, has launched its own defense innovation accelerator.

BETTER SAFE THAN SORRY

After World War II, Washington developed an architecture for international commerce, law, and standards that fostered security and economic conditions for shared growth and prosperity. It succeeded precisely because the rest of the world chose to subscribe to and build on that architecture. Likewise, if the United States is to succeed in today's technology competition, it cannot only build the most advanced AI model. It must also get global buy-in for its digital infrastructure.

Beijing is already exporting a Chinese-made version of this digital infrastructure across much of the developing world, often bundling telecommunications hardware, cloud services, surveillance systems, payment platforms, and low-cost financing for those offerings. These exports are not neutral; they prioritize state control, censorship, and surveillance by default. In effect, Beijing is exporting an operating system for authoritarianism. The United States must offer a better alternative.

If the global digital economy ran on a U.S. tech stack—cloud architecture, chip designs, safety protocols, and technical standards—the United States could secure a future in which democratic values were baked into the code of the twenty-first century. If the United States were to cede this ground, authoritarian states could own the backbone of global commerce and communication, prioritizing state control over the well-being of citizens, with implications for backdoor surveillance, data extraction, propaganda, and coercion.

Winning this diffusion contest requires commercial diplomacy at scale. The U.S. government should partner with U.S. companies to lower barriers to access to American technology around the world.

Offering financing for U.S. technology, technical assistance, and partnerships with U.S. firms could help increase adoption, particularly in regions where China already offers subsidized and ready-to-use tech bundles.

In this contest, standards and governance matter just as much as hardware. Standards, although often obscure and underappreciated, are the grammar of global technology, determining how systems interact, data are governed, and risks are managed. They are written by a wide array of international bodies that exercise enormous influence over the future tech landscape, extending from the rules of the road for AI safety and data privacy to biotechnology and biomanufacturing. The United States needs to lead in these bodies rather than step away from them, as the current administration seems to be doing.

In particular, the United States should prioritize developing standard evaluations of AI systems—testing, before their release, what makes them work and whether and how they might fail in real-world use. Washington and like-minded partners should back safeguards for synthetic biology, too, given its increasing convergence with AI, including common screening protocols, redlines around particularly dangerous applications, and incident-reporting norms when experiments or systems fail in unexpected ways.

Those who argue that a focus on risk and safety holds the United States back in the tech competition with China have it backward. Ensuring security and trustworthiness will not slow the United States and its allies down. It will ultimately enable them to move faster. Uncertainty breeds caution: when policymakers and industry lack confidence about safety and reliability, they are more reluctant to adopt new capabilities. The United States should be stepping up, rather than stepping back, on coordinating and shaping global efforts toward AI security and safety.

EASY DOES IT

As it aims to fortify these other areas of high ground, American technology strategy must create space for stability and cooperation in the U.S.-Chinese relationship. This must be a core pillar of the approach, not an afterthought. Neither country is going anywhere, and each will have to learn to live alongside the other. The competition will end in catastrophe for everyone if the two great powers do not work together to avoid the worst risks or if they enter a destabilizing downward spiral.

There is no doubt that China and the United States will continue pushing the limits of AI, but competition without regard for risks could lead to dangerous proliferation or loss of control. This danger drove the Biden administration to secure Beijing's agreement, in a 2024 meeting between U.S. President Joe Biden and Chinese leader Xi Jinping, to maintain human control over the decision to use nuclear weapons.

Likewise, as the two countries seek to reduce dependencies for critical inputs, they must avoid tit-for-tat retaliation over trade restrictions, which could generate more harm than good. Competition in clean energy technologies and biotechnologies should not obscure cooperation in addressing the climate crisis or working toward medical advancements such as treatments for cancer and other diseases. And enhancing military capabilities could raise the likelihood of war if not accompanied by deep and sustained communication between Beijing and Washington, especially regarding the Taiwan Strait.

Competition is not inconsistent with cooperation. By increasing its technological capacity, the United States will have more leverage to secure agreements on risk management. But there is no mechanical formula or algorithm for how to find the right balance. Doing so will require some degree of trial and error and some amount of friction. Still, the renewal of the U.S.-China Science and Technology Cooperation Agreement in 2024, which promotes shared standards on issues such as intellectual property protections and reciprocal access to certain databases and scientific field sites, shows that ample room remains for the two countries to collaborate on scientific endeavors that benefit humanity even as they pursue competitive policies. What is essential is that American policymakers do not go too far in either direction, even if doing so seems at times to be the easier path.

IT'S A MARATHON, NOT A SPRINT

Once the United States has clearly defined its strategy, it must execute. Doing that well means facing the widening gap between the country's strategic ambitions and its ability to deliver. Closing that gap in technology and manufacturing means addressing the incentives that drive U.S. capital markets. Wall Street firms privilege investments in software, excited by the high returns its scalability promises. They devote far less attention and money to capital-intensive, lower-margin industrial production. A strategy that relies on the invisible hand of the market to allocate capital to strategic hardware manufacturing will fail if that hand is only chasing the next software unicorn. The U.S. government must work with the private sector to overcome this misalignment, using public policy tools such as tax credits, loan guarantees, and risk insurance to make less attractive investments financially viable for private capital. It must also pair the deployment of advanced machinery with significant investments in training, mobility, and wage growth. This is critical not only for U.S. competitiveness but also for American workers, who understandably perceive AI, automation, and robotics more as threats to their jobs than as tools that could make those jobs safer, more interesting, and better paid.

The other half of the execution challenge is government bureaucracy. The United States has built a system that prioritizes process over outcomes, with permitting requirements that can delay new construction by a decade, procurement regulations that strangle innovative defense startups, and a funding gridlock that starves scientific agencies. Too many people possess the power to say no. Too few are empowered to say yes.

Statecraft means little if it does not serve the material well-being of the working and middle classes. A targeted, long-term strategy to compete with China that prioritizes techno-industrial sovereignty, deterrence through military innovation, and democratic digital standards while preventing a race to the bottom would create good jobs and turbocharge investment in the public interest. It would also harness military spending for preventing wars, not starting them; absorb the shock of the coming technological disruption; and manage the risks posed by great-power competition. And it would protect Americans' privacy, civil liberties, and way of life. There is no party or faction whose goals are not on this agenda.

This work will take decades, not years. The United States must seek more than the short-lived prize of being first to discover new breakthroughs. Instead, it must work to capture these areas of high ground by aligning capital with strategy, empowering its institutions to act decisively, and building with the urgency of the post–World War II era and the agility of the digital age. This is a defining national project of our time and one the American people are more than equipped to achieve.

North Korea as It Is

The Case for a Cold Peace

VICTOR CHA

In the early 1990s, even before North Korea had any nuclear bombs, the United States began to realize that it would be the world's next nuclear threat. At the time, North Korea barely had enough fissile material to build one or two crude bombs. It lacked the delivery systems that would allow such weapons to reach the United States. And it would be well over 15 years before the regime would do its first nuclear test. Yet concerned government officials and observant journalists recognized that North Korea was intent on obtaining nuclear weapons and would likely become a source of regional instability.

Three and a half decades later, North Korea has blown past even the most pessimistic predictions of its nuclear development. It has

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Illustration by Diego Mallo

amassed 50 nuclear bombs and stockpiled enough plutonium and highly enriched uranium to build 40 to 50 more. It has developed nearly 20 different delivery systems, including long-range intercontinental ballistic missiles (ICBMs) that can reach targets in the United States. It is actively pursuing ballistic missiles that can be launched from nuclear submarines, whose range and ability to evade detection improve North Korea's ability to strike back even if the United States attacks first. Pyongyang has tested its nuclear weapons six times and its various delivery systems more than 300 times. North Korean leader Kim Jong Un intends to develop a modern nuclear weapons arsenal the size of that of France or the United Kingdom, each of which has over 200 nuclear weapons, and he is well on his way. In return for North Korea's provision of thousands of combat troops, millions of rounds of ammunition, and hundreds of ballistic missiles in support of Russia's war in Ukraine, Moscow is helping Pyongyang surmount the technology hurdles that prevent Kim from building the nuclear arsenal of his dreams.

Sanctions have only hardened Pyongyang's resolve.

Since the potential nuclear threat emerged in the early 1990s, the United States' North Korea strategy across seven presidential administrations has been driven by the logic of preventing nuclear proliferation, or what came to be called CVID—complete, verifiable, and irreversible denuclearization. American negotiators dealing with North Korea have repeated the same mantra: "With denuclearization, all things are possible. Without denuclearization, nothing is possible." Washington's strategy has been to offer incremental incentives, such as food and energy aid, to North Korea, in exchange for similarly scaled nuclear concessions—for example, a temporary freeze on operating reactors and a declaration of its nuclear inventory. And the United States has relied on economic sanctions to bring North Korea to the negotiating table and to pressure it to comply with nonproliferation agreements.

The size and sophistication of North Korea's nuclear arsenal today shows that these approaches have failed. In addition to inconsistent U.S. policy and a lack of attention to North Korea amid perennial crises elsewhere in the world, the United States has struggled to implement and enforce denuclearization agreements because of a lack of buy-in from both North Korean leaders and U.S. presidents. Partisan divides in Washington have also forced each new administration to restart the negotiation cycle, and Pyongyang has repeatedly acted in bad faith by growing its nuclear programs and reneging on its commitments. Ultimately, a dearth of trust between North Korean and American leaders dating back to the Korean War—reinforced by many unsuccessful negotiations and agreements—has made it impossible to rein in Pyongyang's nuclear ambitions. The one-dimensional focus on nonproliferation has also hamstrung the United States in other areas of importance in which it could negotiate, such as reducing the size of North Korea's conventional military or improving human rights. The use of economic sanctions as the primary tool of diplomacy, moreover, has not curtailed the nuclear program, and has only hardened resolve in Pyongyang.

The United States cannot continue the same approach; doing so will only make its failures more acute. Nor can it stand aside and do nothing because North Korea's nuclear arsenal is increasingly able to target the U.S. homeland and a stronger North Korea can flex its military power to help U.S. adversaries, as it is doing by supporting Russia in Ukraine. The challenge is now even more daunting than in the past: with plentiful trade in energy and food with China and Russia, and combat experience and weapons technology from the Ukraine war, North Korea is in a much stronger position than it was in 2019, the last time U.S. President Donald Trump and Kim met to negotiate.

The United States should not renounce denuclearization, but policymakers must acknowledge that it is now a distant objective. Moving forward, Washington needs a new strategy that does not let the long-term goal of denuclearization get in the way of its more immediate national security needs. These include protecting the homeland, reducing the number of U.S. adversaries, minimizing the chances that North Korea would launch nuclear weapons first, and weakening the ties between Beijing, Moscow, and Pyongyang. Instead of making denuclearization a prerequisite for any negotiation, the United States should open conversations with Pyongyang on arms control agreements, limits on nuclear testing and missile production, crisis management mechanisms, and bans on the transfer of nuclear weapons or technology to others. It should also strengthen deterrence and defense with regional allies to gain their support for this new strategy. In other words, the United States needs a cold peace with North Korea—a relationship short of normalization but that prioritizes open dialogue to avoid miscalculation and escalation.

The world would be a safer place if North Korea shed its nuclear weapons. But getting it to give up its arsenal is simply not within reach any time soon, and proceeding as if it were would be detrimental to national security. Washington needs to reorient its strategy toward North Korea so that it can achieve more immediate gains, reduce tensions, and make the world safer now. The best strategy for avoiding a hot war with a nuclear North Korea is to preserve a cold peace.

NEVER GONNA GIVE YOU UP

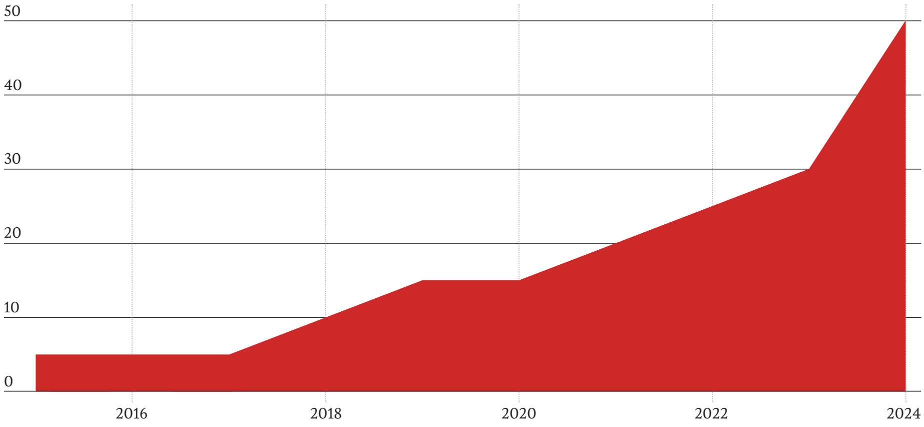
An undeniable fact underpins North Korea's successful pursuit of nuclear weapons. Three consecutive leaders—Kim Il Sung, Kim Jong Il, and now Kim Jong Un—were determined to build a nuclear arsenal at any cost. It was never North Korea's intention to get rid of its nuclear weapons, regardless of the agreements it entered into that suggested it might. In 2006, when I was deputy head of the U.S. delegation at the six-party talks in Beijing aimed at denuclearization, one of my North Korean interlocutors told me bluntly: "We will never give up our nuclear weapons." The United States had attacked Afghanistan and Iraq, he reasoned, because they didn't have nuclear weapons. North Korea was not willing to tempt the same fate.

Kim Il Sung, the first leader of the modern North Korean state, recognized the awesome power of nuclear weapons in 1945, when, as a guerrilla fighter in the mountains of Manchuria, he witnessed how the atomic bombs the United States dropped on Hiroshima and Nagasaki ended Japan's brutal colonization of the Korean Peninsula. Once in power, Kim signed a nuclear cooperation agreement with Soviet leader Nikita Khrushchev, in 1959, and pleaded with Chinese leader Mao Zedong for nuclear weapons after China successfully tested them in 1964. (Mao denied the request.) The next year, however, Kim began operating a small experimental research reactor supplied by the Soviet Union. According to declassified CIA satellite imagery, Kim then razed and excavated large plots of land—far more than what was needed for a simple research reactor—at what would eventually become the expansive Yongbyon complex, North Korea's main nuclear site. Contrary to popular opinion, the country's nuclear program did not start as an insurance policy after the end of the Cold War; Kim's intentions were evident more than three decades earlier.

North Korea covertly built its nuclear program while repeatedly signing denuclearization agreements with the United States. Pyongyang's

PROLIFERATION NATION

North Korea's estimated nuclear warhead stockpile



Source: Federation of American Scientists.

unrelenting drive for weaponization lay at the heart of every nuclear crisis of the past three decades, regardless of which American president was in office or what tactics Washington pursued. In 1994, President Bill Clinton demanded that North Korea refrain from starting a campaign to harvest weapons-grade plutonium. When North Korea did so anyway, Clinton considered a military strike to take out the Yongbyon complex. But as the administration was contemplating its options, former president Jimmy Carter accepted Kim Il Sung's invitation to visit North Korea; Carter and Kim established the outlines of a deal that became the Agreed Framework, signed later that year. North Korea froze the operating reactor and stopped construction on two additional reactors in return for heavy fuel oil (a byproduct of crude oil that North Korea could use for energy) and two light-water reactors (a more modern nuclear reactor whose fuel cannot easily be converted into weapons). Many observers attributed the collapse of this agreement, in 2002, to hawks in the George W. Bush administration who wanted to sabotage a Clinton-era success, but the real cause was Pyongyang's secret purchase of materials to build an alternative uranium-based nuclear bomb.

The six-party talks hosted by China and attended by Japan, North Korea, Russia, South Korea, and the United States produced a second major denuclearization agreement, in 2005. The countries at the talks again promised to provide North Korea with heavy fuel oil and a light-water reactor, as well as diplomatic normalization, economic assistance, and regional security assurances, in exchange for Pyongyang's freezing, disabling, and dismantling all of its nuclear programs. North Korea shut down parts of the Yongbyon nuclear reactor, destroyed the reactor's cooling tower, and surrendered—for the first time—operating records and hardware samples that helped the intelligence community understand the program's scope. The United States also partially lifted sanctions and removed North Korea from its list of state sponsors of terrorism. But this agreement failed, too—not because of Kim Jong Il's sudden stroke in 2008 or the obstinacy of the George W. Bush administration, as some analysts believe, but because of North Korea's unwillingness to fully declare its nuclear inventory, its support of Syria's attempt to covertly construct a nuclear reactor, and its determination to conceal progress on its secret uranium enrichment program, which it publicly admitted to completing in 2009, after years of denial.

The Obama administration reached a new agreement on the last day of February 2012, which became known as "the Leap Day Deal." Washington promised food, humanitarian support, and economic assistance to North Korea in exchange for a freeze on nuclear and missile testing. But just weeks later, North Korea launched a satellite despite U.S. warnings that disguising ballistic missile tests as civilian rockets violated the deal. The short-lived agreement fell apart in early 2013, when North Korea tested a miniaturized and more powerful nuclear device, resulting in nearly five years of isolating the regime with heavy U.S. and international sanctions on North Korean trade, businesses, political leaders, and financial transactions.

Trump's first-term summit diplomacy with Kim Jong Un also faltered because of North Korea's unrelenting pursuit of weaponization. Before the first meeting of the two leaders in Singapore, in June 2018, North Korea tested a hydrogen bomb and launched 17 ballistic missiles, including ICBMs designed to reach the United States. Although Kim committed to denuclearization in that meeting, he never followed through, and the two leaders were unable to strike a deal in two subsequent summits. From then through the end of the Biden administration, in 2024, Washington continued to impose bilateral and multilateral sanctions while Pyongyang conducted an unprecedented 107 missile launches. And in 2023, North Korea formally enshrined the possession of nuclear weapons in its constitution and announced a move to mass production of nuclear capabilities, which meant that it was ready to turn from developing and testing weapons to exponentially expanding its nuclear arsenal. Kim affirmed this direction in a speech to North Korea's parliament in March 2026, when he declared that the government "will continue to consolidate our absolutely irreversible status as a nuclear power."

PARADIGM LOST

To effectively deal with North Korea, the United States must scrap the old approach of a single-minded focus on denuclearization and an overreliance on sanctions. Although many policymakers have implicitly accepted this idea, none will propose it publicly because insiders in Washington, Seoul, and Tokyo see it as equivalent to surrender. But the United States should not let the perfect be the enemy of the good. Denuclearization is a noble goal, but past policy failures and North Korea's dogged determination to obtain weapons have made it unattainable for now. Washington needs to shift the logic of its strategy from disarming North Korea's nukes to achieving immediate goals that will make the United States more secure against those weapons.

Protecting the U.S. homeland is the most pressing priority. Over the last 30 years, North Korea's ability to target the United States has evolved from remote possibility to real danger. The range of some North Korean ICBMs extends to the continental United States, according to a 2025 report by the Defense Department and several U.S. intelligence agencies. Pyongyang already has enough launchers and missiles to overwhelm U.S. defenses. As the nuclear expert Ankit Panda has pointed out, North Korea's 15 to 20 transporter erector mobile launchers, each armed with one ICBM, could deplete the entire U.S. stockpile of 44 ground-based interceptors deployed in Alaska and California that are designed to destroy these missiles midcourse. (Up to four interceptors are needed to defend from each missile.) The Defense Intelligence Agency has estimated that North Korea's nuclear-tipped ICBM arsenal could grow to 50 within the next decade; this means that the United States would need to have at least 200 interceptors to fully protect itself from a potential North Korean attack. Current plans to add next-generation interceptors will increase that number to only 64 by 2035. As North Korea equips its ICBMs with decoy warheads to evade missile defenses or with multiple miniaturized nuclear warheads to overwhelm the system, the odds that the United States will be able to shield itself grow even worse. Starting conversations with North Korea to set limits on further testing, deployment, or proliferation of ballistic missiles and production of nuclear materials is necessary now, even if denuclearization remains a long-term goal.

Washington also needs to reduce the number of adversaries it is dealing with. The United States faces a dizzying array of challenges from China, Russia, and Iran (and its proxies, including Hamas, Hezbollah, and the Houthis). U.S. defenses are stretched especially thin because of the war with Iran, and U.S. officials are moving some Patriot missiles, high-altitude antimissile systems, and drones stationed in South Korea to the Middle East to compensate. This puts a premium on what former Assistant Secretary of Defense Ely Ratner has described as "taking enemies off of the board." Trump arguably tried to do this with North Korea during his first term by befriending Kim, but Washington's singular focus on denuclearization precluded any serious discussion of test bans, arms control, or political relations. Restarting talks with the goal of establishing a cold peace will more immediately serve U.S. interests. Data collected by the Center for Strategic and International Studies (CSIS) shows that periods of U.S.–North Korean dialogue correlate with fewer missile launches, nuclear tests, and military provocations.

Continuing the same approach will make U.S. failures more acute.

The increasing risk of nuclear first use across Asia also necessitates rethinking U.S. policy toward North Korea. Russian President Vladimir Putin has declared that he would use nuclear weapons first in any conflict, and China is embarking on a massive nuclear buildup that is likely to exceed 1,000 warheads by 2030. North Korea has also adopted a more offensive posture. Pyongyang announced in 2022 that it was willing to use nuclear weapons first in a conventional conflict; that it could use nuclear weapons based on warnings alone rather than in response to an adversary's attack; and that it was preemptively delegating authority to launch nuclear weapons down the chain of command if a strike were to take out top leaders. North Korea increasingly believes that it may have to "use or lose" its nuclear weapons in a conflict with the United States or South Korea. Although North Korea doesn't publicize its nuclear doctrine, a CSIS study of nuclear-related statements from the state news agency from 1998 to 2023 found a shift from a focus on defense (such as nuclear weapons to maintain deterrence) to offense (using them for tactical strikes during a war). The weakness of North

Korea's conventional military compared with the vastly more capable U.S. and South Korean forces only adds to Pyongyang's incentives to rapidly escalate to nuclear conflict.

The United States has held off on establishing crisis management hotlines because it does not want to recognize North Korea's possession of nuclear weapons. But the United States must develop direct communication channels to avoid accidental escalation that could trigger a nightmare scenario. Currently, the United States can communicate with North Korea only via phone in the demilitarized zone at the border between North and South Korea (a phone that the North Koreans rarely answer) or by sliding letters under the door of North Korea's office at the United Nations headquarters in New York, most of which are returned unopened. (In 2025, the Trump administration attempted to hand deliver a letter to the office; North Korean diplomats refused to accept it.) These methods are inadequate for staving off potential nuclear war.

To lower the risk of escalation, the United States could reaffirm its pledge to not use nuclear weapons first, which it made at the six-party talks. It could also encourage South Korea to tone down elements of its aggressive deterrence strategy, such as Seoul's "kill chain" plan to preemptively take out North Korean nuclear facilities or threaten leadership decapitation. Instead, Washington and its allies could focus on what is known as deterrence by denial: a set of strategies that includes setting up high-density missile defenses, regularly rotating U.S. nuclear weapons–capable fighter jets and submarines to the Korean Peninsula, and threatening precise and advanced conventional military responses to North Korean attacks. By signaling strong allied retaliatory capabilities while downplaying offensive threats that could trigger a "use or lose" mindset in Pyongyang, the United States and its allies could deter North Korea without provoking it.

It is also in Washington's interest to weaken North Korea's ties with China and Russia. The growing closeness between Moscow and Pyongyang is particularly worrisome. The defense agreement that Russia signed with North Korea in 2024 reinstituted Moscow's Cold War–era security guarantee to Pyongyang, which was removed from their friendship treaty after South Korea and the Soviet Union normalized relations in 1990. Russia is suspected of transferring high-end weapons technology, particularly for ICBMs and for nuclear submarines, to North Korea, which could allow Pyongyang's arsenals to survive a preemptive attack and be used to retaliate. Moscow has also been helping bolster

Pyongyang's conventional military, munitions and drone industries, and missile systems. Chinese leader Xi Jinping, too, has increased his support of Kim. Beijing has been, in the words of Sydney Seiler, a former U.S. national intelligence officer for North Korea, "aggressively unhelpful" with Washington on coordinating policy toward North Korea. And Xi gave the North Korean leader equal billing alongside Putin on the diplomatic stage at China's Victory Day parade in September 2025.

The United States needs to find some way to compel Beijing, Moscow, and Pyongyang to invest less in their relationships with each other. Although Washington may not be able to fully break these alliances apart, it can create some friction between them. It could offer positive inducements to North Korea or Russia, such as lifting sanctions, or amplify disinformation to generate distrust among the three countries. Or counterintuitively, the United States could try to trigger traditional North Korean fears of being entrapped by great powers by designating the Pyongyang-Moscow alliance as an enemy of NATO and European Union countries because of its contribution to Putin's war in Ukraine. Stigmatizing North Korea in this way might encourage it to reconsider its relationships, since Europe was its main cultural and economic gateway to the West before the 2022 invasion and Kim may want to revive connections to the continent in the future. Leaders in Pyongyang have shown that they deeply fear overdependence on great powers: in the late 1950s, for instance, North Korea's excessive economic reliance on the Soviet Union pushed Kim Il Sung to embrace Mao as a hedge, and Kim Jong Un's dire need for Beijing's help to circumvent UN sanctions influenced his decision to meet with Trump in 2019. American policymakers could also suggest that South Korea reconsider its indirect supplies of military equipment and ammunition to Ukraine in exchange for Russia distancing itself from North Korean war support, but this would not resonate well in Kyiv and other European capitals.

YOU CAN'T ALWAYS GET WHAT YOU WANT

Managing the threats that North Korea presents and settling into a stable cold peace with Pyongyang requires coming to the negotiating table. But what the United States wants out of a negotiation is not the same as what North Korea wants. Given all the economic, political, and military support it receives from China and Russia, Pyongyang has far fewer incentives to concede anything to Washington than it did when Trump last met with Kim Jong Un, in 2019. Some of the traditional carrots that the United States could use to tempt compliance in the past have also lost their appeal. North Korea is no longer interested in exchanging liaison offices, which take on some of the basic functions of embassies. The regime previously wanted this exchange as a symbol of its legitimacy, but it now feels that such a move gives Washington too much access inside North Korea while providing little added value because it already has a UN office in New York.

What North Korea wants is reductions in U.S. troops on the Korean Peninsula, which Pyongyang rightly sees as the primary symbol of the alliance between Washington and Seoul. Although such a concession to North Korea would normally be a nonstarter for the two allies, the United States and South Korea are contemplating transformational changes to their security relationship that might naturally reduce the number of American troops there. The United States is encouraging South Korea to significantly increase its defense spending, take over control of wartime operations from Washington, and absorb more of the burden of peninsular defense. The United States wants to transition to a larger air and naval presence in the region while reducing its ground-based one; it also seeks to cooperate with South Korea on nuclear-powered submarines, space and intelligence surveillance, and artificial intelligence–driven warfare. U.S. media has reported the possibility that the United States may permanently remove a rotational brigade of 3,500 to 4,500 troops from South Korea. Although such changes should be seen as moves to strengthen the alliance, they can be aligned with negotiations with North Korea on other measures, including phased arms reductions, caps on the deployment of multiple rocket launchers, and no-fly zones for drones.

Any strategy to manage the North Korean threat must retain allied deterrence at its core. Governments in both Japan and South Korea are increasing defense spending to historic levels, improving joint military planning with the United States, operationalizing trilateral missile defenses, and working to bolster nuclear planning through channels such as the U.S.–South Korean Nuclear Consultative Group and the U.S.-Japanese Extended Deterrence Dialogue. But more can be done to deter North Korea from using its nuclear weapons first. American policy should declare clearly that any use of North Korean nuclear weapons would prompt the United States to destroy the regime immediately. To back this up, Japan, South Korea, and the United States should enact so-called next-phase missile defenses, which include seamless tracking between Japanese sea-based Aegis platforms and

South Korean land-based THAAD systems; training to counter simultaneous attacks by ballistic missiles, low-altitude cruise missiles, and drone swarms; and joint production of more interceptors.

Ideally, all three allies would commit to a collective defense declaration so that an attack on any one of them would constitute an attack on all of them. Such an agreement would upset Pyongyang, but it will help shift dynamics toward a cold peace on the peninsula by signaling that any North Korean belligerence would be met with an exponentially larger response from the three allies. Such coordination would also help offset concerns from allies that a greater U.S. focus on its own expedient needs, such as reducing long-range missiles, would be interpreted as decreased concern about North Korea's short-range missiles and artillery or a weakening U.S. security commitment that could threaten U.S. allies and partners in the Indo-Pacific. If allies feel abandoned and do not trust the U.S. security commitment, that could trigger a regional arms race and result in new nuclear dominoes falling.

THE LEAST BAD CHOICE

This new strategy is likely to prompt objections on the grounds that it de facto accepts North Korea's status as a nuclear state. Critics will charge that after decades of insisting on denuclearization up front, the United States would be making major concessions without meaningful reciprocation from Pyongyang.

These critics might propose to threaten military action instead. The United States could demand that North Korea denuclearize or else face the same fate that Iran has—first in Operation Midnight Hammer, in June 2025, when the U.S. military dropped bunker-buster bombs to try to destroy Iran's nuclear facilities, and then in this year's U.S.-Israeli war on the Islamic Republic, which killed Iran's Supreme Leader Ali Khamenei and many other top political leaders.

But North Korea is not Iran: it is a proven nuclear weapons state that could retaliate against the United States and its allies. North Korea's nuclear programs and delivery systems are also far larger than those in Iran and more dispersed across undisclosed locations that are hard to target. These factors minimize the likelihood that a preventive strike would succeed. In 1994, when Clinton considered a military strike, the United States might have been able to destroy Pyongyang's fledgling program with minimal consequences. But today, North Korea's nuclear arsenal is far too large to eliminate without risking devastation. And targeting weapons facilities near the border with China could lead to wider escalation with Beijing.

Even the slightest sign of U.S. military action could trigger a dangerous escalation. There is no guarantee that the threat of being obliterated by the United States would deter Kim from acting. Koreans have a famous phrase—"If I die, you die, we all die"—that permeates their films, novels, and history. No American president in good conscience could put the odds of avoiding escalation at better than 50 percent, which are poor odds for a nuclear war that could destroy U.S. cities and kill hundreds of thousands of Americans.

It was never North Korea's intention to get rid of its nuclear weapons.

Critics may also call for ramping up economic and financial sanctions on North Korea. Targeting its trade, cryptocurrency, and financial flows could cause significant pain to political and military leaders, compel them to the negotiating table to seek relief, or even create enough chaos to accelerate the regime's collapse. Although sanctions can be one tool that the United States uses, their effectiveness has decreased. China and Russia, which previously backed the UN sanctions regime against North Korea, are now undercutting it. Russia has used its veto to strike down the UN Security Council resolution authorizing the council's sanctions enforcement body, and Chinese bilateral trade with North Korea is at historic highs: it grew by 25 percent from 2024 to 2025. Although North Korea and Russia have not been regularly reporting bilateral trade figures since the start of the Ukraine war, commercial satellite imagery shows that port, land, and railway crossings with North Korea are teeming with new trade and construction activity. North Korea has also shown that it can function even when cut off from the world. It closed the border with China, its top trading partner, for over three years during the COVID-19 pandemic lockdown, which further belies the argument that sanctions will force Pyongyang into submission.

Negotiators are fond of saying that when it comes to North Korea's nuclear portfolio, there are only lousy options. If North Korea were not already loaded with nuclear weapons, there might be better choices available. What the United States faces in reality, however, is the need for an interim solution to protect U.S. homeland security and prevent nuclear escalation in the Indo-Pacific. A cold peace is hardly an ideal solution, but it could bring much-needed stability to an increasingly dangerous relationship.

How North Korea Won

The Strange Triumph of Kim Jong Un

JUNG H. PAK

The 75th anniversary of the Korean Workers Party in October 2020 was not the festive affair that North Korean leader Kim Jong Un wanted it to be. Despite the fireworks, military flyover, and procession of new intercontinental missiles, Kim appeared to wipe away tears when he approached the lectern and apologized to the crowd: “My efforts and sincerity have not been sufficient enough to rid our people of the difficulties in their lives.” The COVID-19 pandemic had been tough for most countries, but it seemed especially portentous for North Korea, which was largely food-insecure, home to a notoriously dilapidated public health-care system, and struggling with a battered economy. Kim himself was humiliated and isolated, both domestically and internationally, after failing to deliver much-needed sanctions relief in

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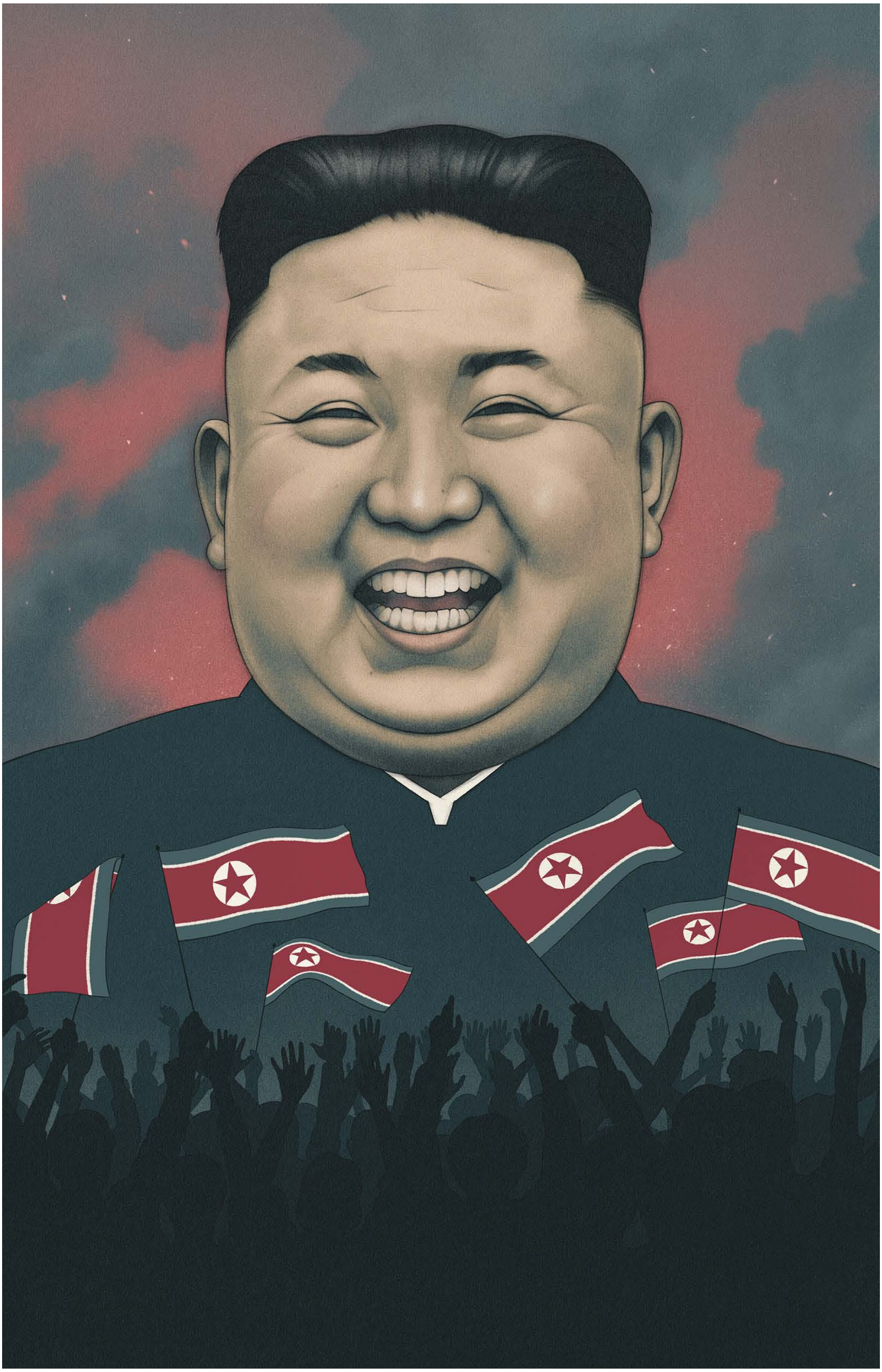

Illustration by Björn Griesbach

some heady high-profile summitry with the leaders of the United States, South Korea, China, and Russia. It was arguably the lowest moment in the Democratic People's Republic of North Korea's 78-year history.

And yet, just five years later, in September 2025, Kim was beaming at a different military parade—in Beijing, where he stood with Chinese leader Xi Jinping and Russian leader Vladimir Putin. North Korean soldiers were now fighting alongside Russian troops in Ukraine, North Korean trade with China had reached healthy pre-pandemic levels, and Kim had been welcomed into a unified cohort of leaders countering U.S. and Western influence. In a stunning reversal of fortune, North Korea today is ascendant in ways not even the most imaginative analyst could have predicted. Kim, whose grip on power has never been stronger, has transformed himself from a global pariah into a global power player in record time.

This metamorphosis is the product of both circumstance and skill. The dawn of a new era of great-power competition has been an unwelcome development for many small countries and middle powers, but North Korea has fared better than most by leveraging its nuclear arsenal to avoid getting trampled by bigger players. Kim has also proved uniquely adept at exploiting the opportunities and navigating the currents of this new geopolitics. In approaching relations with China and Russia, he has taken surprising risks, such as fighting a war in Europe and escalating nuclear weapons development, that have paid off.

As a result, his ability to shape regional dynamics is now greater than ever. In the past, Washington has been able to work with Beijing and Moscow, albeit to a limited extent, to restrain North Korea and prevent a military confrontation. But today, the North Korea challenge is both more formidable and more durable. The confluence of U.S.-Chinese tension, Russia's war in Ukraine, and U.S. allies' growing distrust of Washington's intentions and commitment has made for an unpredictable and volatile global situation. North Korea is thus a preview of the obstacles the United States will face as this new order takes shape.

ROCKET MAN

When Kim came to power in 2011 as a fresh-faced 27-year-old, North Korea's moribund economy overwhelmingly depended on foreign aid and trade with China. International aid organizations had long reported that more than 40 percent of North Korea's 26 million citizens suffered from malnutrition, even as the elite inhabitants of Pyongyang enjoyed restaurants and shopping malls. U.S. officials and analysts at the time predicted that the young successor, with no known military or leadership experience, was likely to fail, either quickly usurped by his elders or marginalized as a figurehead.

But Kim came out swinging. He conducted systematic purges to cow the elite into absolute loyalty, and in very public fashion killed his powerful uncle and assassinated his half-brother. He also ramped up the country's nuclear weapons program, conducting over 100 missile tests between 2012 and 2019—more than triple the number his father and grandfather combined had overseen—and four of the country's six nuclear tests, including a hydrogen bomb in September 2017 that had an estimated yield of 100 to 150 kilotons. (For comparison, the atomic bomb dropped on Hiroshima yielded an estimated 15 kilotons.) By the end of 2017, he had even successfully tested an intercontinental ballistic missile for the first time in North Korea's history.

Kim has gone from global pariah to global power player.

The fall of 2017 was therefore particularly tense. Kim and U.S. President Donald Trump were exchanging insults—Trump called Kim "Little Rocket Man," while Kim called Trump "mentally deranged"—and Trump warned that the U.S. military was "locked and loaded." James Mattis, the secretary of defense at the time, pledged "a massive military response" to any further North Korean threats, and H. R. McMaster, then the national security adviser, talked about a "preventive war" against North Korea. The tension was so thick that even China and Russia supported more stringent UN sanctions on Pyongyang.

Kim, however, is adept at reading the room. In January 2018, he expressed an interest in attending the Winter Olympics in South Korea, providing what Sheila Miyoshi Jager, a scholar of Korean history, has called a "reassuring pause in a terrifying global game of chicken." As the world let out a collective sigh of relief, Kim and Trump stepped back from the brink, and the two leaders engaged in an unprecedented summit in Singapore that June mediated by an eager Moon Jae-in, then South Korea's president. Although Trump declared on social media that there was "no longer a Nuclear Threat from North Korea," the meeting achieved little, and negotiations remained deadlocked in the ensuing months, culminating in a failed second summit in Hanoi in February 2019.

By then, it was clear that North Korea's economy was suffering. South Korea's central bank reported that North Korea's economy had shrunk by four to five percent in 2018. In the negotiations, Kim offered to close part of an aging nuclear research site in exchange for the lifting of sanctions imposed in 2016 and 2017 by the United Nations, which banned North Korean exports of textiles, seafood, coal, iron ore, and labor and limited imports of refined petroleum products. Surmising that Kim would funnel the regained income back into his nuclear program, however, the United States rejected the deal, and Kim returned to Pyongyang with his tail between his legs.

To add injury to insult, a record drought then threatened North Korea's crops, and multiple typhoons battered the country. Thus, the country's citizens were already in an exceedingly vulnerable position when the pandemic hit in January 2020. Trade with China, North Korea's economic lifeline, plummeted more than 80 percent as borders closed, and prognostications for the country grew increasingly grim.

LOCKDOWNS AND CRACKDOWNS

Kim, however, proved he was not one to waste a crisis. In fact, the pandemic gave him more leeway to tighten his grip on power and a tangible excuse for not delivering on the economy. Since mingling with the outside world was suddenly not just dangerous but also deadly, Kim used the pandemic to expel foreign diplomats and aid workers and further tighten security at North Korea's borders. His propaganda machine kicked into high gear, with the spread of COVID an apt metaphor for the disease of outside influence.

The pandemic also presented North Korea with a unique economic opportunity. Pyongyang had used malicious cyber-schemes for years to mitigate the effects of sanctions and generate revenue for the regime. It stole from friend and foe alike: the UN Panel of Experts, which had been created in 2009 to investigate Pyongyang's evasion of sanctions, reported that from 2017 to 2023, North Korean hackers amassed an estimated $3 billion. During the pandemic, this illegal operation kicked into high gear. As the world was forced online, there was a corresponding surge in online scams, frauds, and security breaches—many of them by North Korean cybercriminals. North Koreans even obtained jobs with legitimate companies in the United States, posing as remote information technology workers and earning as much as $300,000 per year.

Kim ensured that this money was put to good use. Despite the public health crisis, he did not waver from prioritizing the nuclear weapons program, and in January 2021, he unveiled an ambitious five-year defense plan to develop tactical nuclear weapons, "super-sized nuclear warheads," hypersonic glide vehicles, nuclear-powered submarines, and uncrewed underwater vehicles and reconnaissance drones. The effort paid off. In April 2025, the air force general who heads the U.S. Northern Command testified before Congress that North Korea had tested a new solid-fueled intercontinental ballistic missile that could probably "deliver a nuclear payload to targets throughout North America."

BEIJING'S BULLY PULPIT

With his regime at the height of its power at home, Kim also saw opportunities abroad. Strategic competition between the United States and China was picking up, and Pyongyang was certainly aware of Beijing's unease as the Biden administration worked to strengthen ties with allies in the Indo-Pacific after taking over in early 2021. Although it is not surprising that Pyongyang would hew more closely to Beijing than Washington, it was a noteworthy break from tradition when Kim began voicing more enthusiastic support for China and responding to steps taken by the United States that had little to do with North Korea.

As early as March 2021, for instance, in a letter to Xi, Kim expressed their shared need "to cope with the hostile forces' all-round challenges and obstructive moves," a reference to the new Biden administration's policy of stepping up cooperation with allies and partners to counter Beijing's coercive actions in Asia and beyond. Then, in October 2021, the regime slammed the United States for inflaming military tensions in the Taiwan Strait by conducting so-called freedom-of-navigation operations and providing Taiwan with weapons. For the first time in decades, Pyongyang was issuing statements supporting Beijing's positions on Taiwan. In August 2022, a spokesperson for North Korea's foreign ministry denounced a visit to Taiwan by then U.S. House

Speaker Nancy Pelosi, saying that Taiwan was an “inseparable part of China” and that the United States was the “root cause of harassed peace and security in the region.”

Pyongyang had also condemned the advent of AUKUS, an agreement among Australia, the United Kingdom, and the United States under which the United States provides nuclear-powered submarines to Australia, as “an extremely dangerous act.” It went on to criticize Washington’s trilateral summit in 2022 with Japan and South Korea, the first in five years, as a “dangerous prelude to the establishment of an ‘Asian version of NATO.’” Of NATO itself, Pyongyang said the grouping was a “confrontational alliance” intent on building “a trans-Pacific encirclement to contain and isolate China.”

These were all rhetorical, low-risk, low-cost ways that North Korea could show its support for China. As a small and impoverished country, it had little else to offer its giant neighbor. But given the deterioration of his relationship with Washington and Seoul, Kim needed to keep Xi on his side. As in the past, Kim probably hoped that warmer ties with the Chinese president would soften Beijing’s enforcement of UN sanctions and impede any potential coordination between Beijing and Washington on North Korean denuclearization.

Beijing delivered. Although China had signed on to UN sanctions, Beijing threw Pyongyang a lifeline in 2020 that, according to U.S. intelligence and UN reports, included 32 instances of fuel smuggling, 555 instances of ships carrying UN-banned goods from North Korea to China, and 155 incidents of Chinese-flagged coal barges traveling to North Korea and returning to China with illicit cargo. Beijing, which has long prioritized stability along its border, was likely concerned about the pandemic’s effects on Pyongyang’s domestic situation. Xi wanted to keep Kim in his sights.

Kim also benefited as U.S.-Chinese cooperation withered because of strategic competition. Chinese officials often blandly called for U.S. “restraint,” argued that North Korea has “legitimate” security concerns, and blamed Washington and Seoul for holding joint military exercises in the region and inflaming tensions. This was all music to Kim’s ears.

THE PUTIN PIVOT

Despite his attempts to flatter Beijing, Kim, like his father before him, has long bristled at his country’s overreliance on China. The dynamic gets especially prickly because Beijing favors stability on the peninsula and has used its economic leverage to rein in the regime's provocations. In 2003, for instance, China cut off oil supplies to North Korea for three days after Pyongyang test-fired a missile into the waters between the Korean Peninsula and Japan.

Kim, however, has not been shy about showing Xi he is beholden to no one. In May 2017, for instance, he provoked Xi by conducting ballistic missile tests near the border with China before Xi hosted the Belt and Road Forum. Even as Kim courted Beijing and offered it his support at the outset of the pandemic, he was looking for ways to preserve his autonomy.

North Korea now supplies as much as 40 percent of the Russian army's munitions.

When Russia launched its unlawful war against Ukraine in 2022, luck met preparation. Pyongyang's connections to Moscow had been lukewarm since the end of the Cold War, but both sides saw some benefit to maintaining ties: Putin wanted to be a player in Northeast Asia, and Kim had always seen Putin as a way to balance his relationships with China, South Korea, and the United States. Russia's desperation for military support in its war against Ukraine created an unprecedentedly favorable environment in which Kim could assert his usefulness.

In September 2022, seven months into the war, Washington released declassified intelligence warning that Russia was seeking to purchase millions of artillery shells and rockets from North Korea, an indication that Moscow was so squeezed by international sanctions that Putin had to resort to asking North Korea for help. By the summer and fall of 2023, according to South Korean military and intelligence estimates, North Korea had shipped short-range ballistic missiles, antitank missiles, and portable antiaircraft missiles to Russia, in addition to more than a million North Korean artillery shells.

At first, Pyongyang denied involvement, possibly to increase its leverage with Moscow and to preserve maximum flexibility in its next moves. But North Korea's material support to Russia soon proved too valuable a development for Kim, as he sought to position himself as part of a larger bloc of self-proclaimed anti-Western, anti-imperialist powers. In September 2023, Kim made his first trip outside the country since the start of the pandemic to a space launch facility in the Russian Far East. Kim and Putin spent at least four hours together, according to a Russian state news agency, with Putin offering technological assistance on satellites as well as possibilities for military cooperation, and Kim endorsing Russia's "special operation" in Ukraine and a "fight against imperialism."

In June 2024, Putin then traveled to Pyongyang, where the two leaders upgraded their relationship to a "comprehensive strategic partnership" and pledged that if either country went to war after being invaded, the other would provide military assistance. This striking agreement, echoing language from a 1961 pact between the Soviet Union and North Korea, turned on the spigot of North Korean support for Putin. By the end of 2024, Pyongyang had sent 11,000 troops to Russia to fight against Ukraine and more than 20,000 shipping containers of munitions, including at least six million heavy artillery rounds and 100 ballistic missiles, according to monitoring by the United States and its allies.

Putin, meanwhile, in addition to paying North Korea for arms and troops, was likely providing it with oil, wheat flour, sugar, fish, and soybeans and helping it to access the global financial system and pay its workers in violation of UN sanctions. By the end of 2024, the two countries had also traded delegations on AI, cyber-operations, intelligence, science and technology, sports, agriculture, and culture.

It was only in April 2025 that Kim publicly acknowledged that he had sent troops to Russia to "annihilate and wipe out the Ukrainian neo-Nazi occupiers." The move was likely driven in part by Kim's inability to hide the estimated 6,000 North Korean casualties in the war but also by Russian–North Korean successes on the battlefield—giving him another great propaganda opportunity.

MAKE NEW FRIENDS, KEEP THE OLD

For Kim, who had long been a belittled leader of a rogue state, the alliance with Putin was a major accomplishment. His ability to frame North Korea as contributing to an anti-Western project also gave him the luster of ideological legitimacy among his people and globally—his was a country now embraced by two permanent members of the UN Security Council. This came with tangible benefits. In 2022, for instance, Russia and China blocked Security Council efforts to strengthen sanctions against Pyongyang. They also banded together in 2024 to blow up the UN Panel of Experts, vetoing a Security Council resolution to extend its mandate.

Yet even though Putin and Xi have said their friendship has "no limits," Beijing was likely irked by North Korea's new coziness with Russia. Not to be outdone and to remind Pyongyang of its economic center of gravity, China increased its trade with North Korea by more than 25 percent from 2024 to 2025. Moreover, to assert Beijing's influence over its neighbors, Xi invited Kim to attend the 2025 military parade and featured him prominently in the programming. This gesture went a long way toward chipping away at Kim's pariah status: there was no mention of denuclearization in Beijing's formal summary of their private bilateral meeting, as there had been in previous Chinese readouts, suggesting that China was willing to accept North Korea as a nuclear weapons power.

North Korea's military, meanwhile, has made rapid gains thanks to Russia's use of its missiles, artillery, and soldiers. In April 2025, the commander of U.S. forces in Korea testified that Russia's expertise will "enable advancements of [North Korea's] weapons of mass destruction program over the next three to five years." Although there were problems with North Korean missiles at first, Ukraine's chief of defense intelligence said in August 2025 that their "accuracy, unfortunately, has increased after Russian modernization."

Reports highlighting new forms of cooperation continue to trickle in. Ukrainian military intelligence has assessed that North Korea now supplies as much as 40 percent of the Russian army's munitions. A British research group found that Russian forces are using previously unknown North Korean cluster munitions in their attack drones. And according to Ukrainian defense officials, North Korean troops are becoming better fighters. The commander of a Ukrainian assault battalion told National Public Radio last year that North Koreans are learning electronic warfare and "went from using World War II tactics to managing on the battlefield with drones."

With its improved military, its recovering economy, and its various new relationships at the regional and subnational levels, Pyongyang thus has more strategic and tactical flexibility than ever before. Kim, in other words, poses an unprecedented threat to the region.

TESTING THE LIMITS

It remains unlikely that Kim would pursue an outright invasion of South Korea, which could invite regime-ending retaliation from Seoul and Washington. Kim is bold and opportunistic, not suicidal.

But given his new standing and strength, he is now more likely to threaten and coerce his neighbors, which would create strategic dilemmas for the United States.

For instance, Kim could conduct kinetic activities—covert and overt—aimed at testing the U.S.–South Korean alliance and gauging how Beijing and Moscow would respond. North Korea has conducted such activities against Seoul in the past, but the combination of material and technical support from Moscow and the perception that the Trump administration has a reduced commitment to alliances has probably increased Kim's confidence and appetite for risk.

Kim could easily draw Xi and Putin into a situation that they would not have chosen.

Consider the Yellow Sea, for example. Home to the Northern Limit Line, the de facto maritime border between North and South Korea, the sea is rich in fishery resources and close to major South Korean ports, not to mention large population centers. But Pyongyang has never recognized the NLL, and it has long been a source of North Korean ire and the site of numerous tit-for-tat exchanges.

Kim now appears intent on placing more pressure on the legitimacy of the NLL. He has called it a "ghost line" and, seemingly taking cues from Beijing's "gray zone" activities in the South China Sea, is testing Seoul's tolerance for incursions. In September 2025, for example, a North Korean merchant vessel crossed the NLL, eliciting warning broadcasts and warning shots from South Korea. In claiming that Pyongyang would hit back at any "invasions" across the maritime border as an "infringement of [the North's] sovereignty and as armed provocations," Kim signaled his willingness to challenge the status quo, even at the risk of sparking a military conflict.

A series of North Korean actions and official pronouncements underscore Kim's growing appetite for risk. In November 2022, for instance, North Korea fired close to two dozen ballistic missiles from its east and west coasts, ostensibly as a response to routine U.S.–South Korean military exercises. One missile landed in South Korea's territorial waters less than 40 miles from the South Korean city of Sokcho. It was the first time such an event had occurred since the Korean War in the 1950s.

In total, Kim lobbed almost 70 missiles in 2022 alone, the most in North Korean history. Then, in late 2023, Kim jettisoned his father and grandfather's policy of peaceful reunification and declared South Korea "a hostile state."

North Korea has also stepped up its nuclear threats. In July 2022, in a strident speech aimed at the United States and Yoon Suk-yeol, then the new South Korean president, Kim claimed that the North's nuclear program was "ready to mobilize its absolute power dutifully, exactly, and swiftly," according to official state media. When a nuclear-powered U.S. aircraft carrier arrived in South Korea for trilateral maritime drills with Japan in October 2023, Pyongyang lashed out and threatened preemptive use of nuclear weapons. And after unveiling its new naval destroyer—its largest warship—in April 2025, which Kim bragged could handle nuclear-capable missiles, North Korea conducted a nuclear counterstrike simulation against U.S. and South Korean forces.

For years, the superiority of South Korea's military, which is bolstered by the U.S. nuclear umbrella and armed forces stationed in the country, served as a deterrent for North Korean aggression. But with the improved capabilities acquired from Moscow and advances in his nuclear program, Kim's calculus has likely changed. As a U.S. National Intelligence Estimate noted in January 2023, Kim "may be willing to take greater conventional military risks, believing that nuclear weapons will deter an unacceptably strong U.S. or South Korean response." It also suggested that the North Korean leader would be more emboldened if he were confident that China and Russia would not oppose him.

THE COMEBACK KIM

Kim has a new arsenal of diplomatic maneuvers to soften blowback from his military moves aimed at altering the status quo. Consider a scenario in which North Korea acts aggressively in the Yellow Sea, perhaps by sending a large number of naval and merchant vessels past the NLL and harassing South Korean fishing boats, while declaring again that Pyongyang does not recognize the Korean armistice or the legitimacy of the maritime boundary.

As in the past, the two sides might exchange fire. But unlike when such clashes occurred in 1973, 1999, 2002, 2009, and 2010, North Korea has more advanced and diverse weapons today.

Kim could threaten or hint at tactical nuclear weapons use in the standoff, which in turn would complicate coordination between the South Korean and U.S. militaries. He could then pivot to diplomatic engagement with Trump—not on denuclearization but on the status of the NLL—and trigger South Korean doubts about U.S. commitment to the alliance, extended deterrence, and disarming North Korea.

Beijing, for its part, would typically oppose any such military confrontation, but it would likely support a dialogue between the United States and North Korea, especially if it weakened Washington's alliance with Seoul. Kim could thus score a meaningful victory: encroachment across the NLL while diverting attention away from his nuclear weapons program.

He could play his diplomatic cards in other ways as well. To show his value to Putin, for instance, Kim could start talks with South Korea as leverage to limit Seoul's support for Ukraine. Seoul provided nearly $400 million in reconstruction and humanitarian aid to Ukraine in 2024 and pledged more than $2 billion in low-interest loans and expanded economic cooperation. Scaling back support for Ukraine would likely strain South Korea's ties with Europe, but if Kim made positive overtures to Seoul, its progressive presidential administration—traditionally the party that has preferred a softer touch with Pyongyang—would find them hard to ignore, particularly since ties between the peninsula's two governments have been frozen since 2019. President Lee Jae-myung would likely welcome the opportunity to pursue inter-Korean diplomacy, including the resumption of reunions of families separated by the Korean War. Kim would walk away from the exchange with more fuel or more sensitive military technologies from Russia, while Putin would secure decreased support for Ukraine. Both would benefit from driving a wedge between South Korea and Europe.

Given that China's and Russia's interests are not aligned on the peninsula—Beijing wants stability, and Moscow wants distraction—there are also countless other scenarios in which Kim could play Xi and Putin off each other. Indeed, it is important to remember that beneath the pageantry, this three-way partnership is shot through with suspicion. *The New York Times*, for instance, obtained a Russian intelligence report that called China an "enemy" and warned of Chinese espionage.

Chinese officials and experts, meanwhile, are expressing concern in private conversations with American interlocutors about what kinds of military technology Russia might be sharing with North Korea and how that might embolden Kim to take escalatory actions. They want the United States to know that China is not supportive of Russia's closer ties with North Korea. As Zhu Feng, dean of the School of International Relations of Nanjing University, told the Associated Press, "Though the Russia–North Korea tie has resumed to a military alliance, China refuses to return to the year of 1950."

Kim could easily draw Xi and Putin into a situation that they would not have chosen and that is not in either's national interest. China, for instance, still has considerable economic leverage with North Korea, but Kim could play on Beijing's unease about Russia's growing influence to extract more concessions. And if Kim becomes impatient with the level of military materiel and know-how he's getting from Russia—North Korea has been hacking into Russia's foreign ministry and defense firms since at least 2022, suggesting Kim might not be satisfied with current levels of support—he could dial down his support for the war in Ukraine and undermine Putin's war effort.

HERMIT KINGDOM NO MORE

North Korea, to everyone's surprise, holds quite a few cards. Kim has proved himself to be a skillful regional player and, like his father and grandfather before him, has honed the craft of juggling, flattering, threatening, and frustrating his larger neighbors. Because North Korea's internal and external conditions have dramatically changed over the past five years, his actions now have the potential to challenge the status quo, sow confusion, and undermine U.S. interests far beyond the Korean Peninsula.

In the past, Washington has offered sanctions relief, economic assistance, and humanitarian aid to engage Pyongyang and restrain its actions. Now, if the United States chooses to revive dialogue, it will have to be prepared to offer much more than that. Kim has new networks, new capabilities, and tacit acceptance that North Korea will remain a nuclear power. Washington must reckon with the new geostrategic landscape because however Kim chooses to advance his goals—through diplomatic or military means or a combination of both—what happens on the Korean Peninsula won't stay on the Korean Peninsula.

Kim's Dangerous Liaisons

Russia, China, and the Growing North Korea Threat

ORIANA SKYLAR MASTRO

When Russian President Vladimir Putin traveled to Pyongyang in June 2024, his first visit to North Korea in nearly a quarter century, the optics were striking. Russian flags and portraits of Putin adorned the capital, where he was treated to an elaborate welcome ceremony with a military honor guard and groups of balloon-toting children. But this was to be expected; such pageantry is a hallmark of North Korean politics. Less anticipated was the substance of Putin's subsequent meeting with North Korean leader Kim Jong Un. The Treaty on Comprehensive Strategic Partnership the two men signed that day formalized a relationship that had been quietly taking shape since Russia's full-scale invasion of Ukraine in 2022: a military alliance between two nuclear-armed pariah states. By October 2024, around 11,000 North Korean troops had been deployed to

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Russia, primarily in the Kursk region along Ukraine's northeastern border, to support Russian combat operations. By late April 2025, South Korean intelligence assessments put Pyongyang's troop presence at around 15,000, and at least half that number remain deployed.

The partnership has made a significant difference in Russia's war effort. North Korea's conventional military is often written off as small and underdeveloped, but the country has become a key supplier of artillery ammunition, select missiles, and manpower to Russia. In February 2025, Ukraine's military intelligence chief publicly claimed that North Korea was providing about half the ammunition Russia was using at the front. Based on Ukrainian military intelligence estimates from November 2025, North Korea has supplied Russian forces with around 6.5 million artillery rounds since 2023 and with sophisticated long-range self-propelled artillery systems and multiple launch rocket systems since late 2024.

The partnership is making the Korean Peninsula a more dangerous place, too. Not only has North Korea gained military capabilities from Russia and experience from fighting in its war, but deepening economic and diplomatic ties between the two countries have relieved some of the pressure that for decades has kept North Korea subordinate to China. Now, with more confidence in its conventional military and in a position to play two great-power patrons off each other, North Korea faces fewer constraints than ever before. And should Pyongyang choose aggression against its southern neighbor, the resulting war would likely not be limited to a fight between North Korea and a U.S.-backed South Korea but draw in Russia and China, as well.

U.S. policymakers have been hoping to offload some of the responsibility for maintaining peace on the Korean Peninsula to Seoul. But Washington has missed the fact that this task has fundamentally changed. Deterring Pyongyang now means deterring Beijing and Moscow, too, and South Korea, as capable as it is, cannot do this alone. For Washington to step back at this perilous moment would raise the risk of war even further and push the United States into the very situation it should want to avoid: embroilment in a conflict with North Korea, China, and Russia—nuclear powers all.

BASIC TRAINING

The Korean Peninsula has been one of the world's most dangerous flash points since North Korea, with the support of communist China and the Soviet Union, invaded South Korea in 1950. The United States led a 16-country United Nations force to defend South Korea; China intervened a few months later on behalf of North Korea. The fighting lasted three years, stopping only after two years of tortuous, on-and-off negotiations. The resulting armistice created the demilitarized zone (DMZ), which now serves as the border between North and South Korea. Because the two countries never signed a peace treaty, they are technically still at war. The possibility of a second North Korean invasion or regime collapse in Pyongyang has driven U.S. and South Korean military planning ever since.

Over the past seven decades, direct clashes, provocations, and close calls have repeatedly tested the armistice. In 1968, North Korea sent a 31-man commando unit to Seoul in an audacious attempt to assassinate South Korean President Park Chung-hee, and days later, its navy seized the USS *Pueblo*, an American intelligence vessel. In the 1970s, South Korean soldiers discovered that secret tunnels had been dug under the DMZ, and North Korean soldiers killed two American officers in the zone's Joint Security Area, an incident that nearly triggered open conflict. Confrontations in the Yellow Sea led to deadly clashes in 1999, in 2002, and, most dramatically, in 2010, when North Korea torpedoed the South Korean corvette *Cheonan*, killing 46 sailors, and then shelled Yeonpyeong Island, wounding and killing both soldiers and civilians.

The danger on the peninsula gained a nuclear dimension in the 1990s, when North Korea announced its plan to withdraw from the Nuclear Nonproliferation Treaty. Negotiations with the United States delayed Pyongyang's formal withdrawal until 2003, but afterward North Korea quickly advanced its weapons development, conducting six nuclear tests between 2006 and 2017. Pyongyang's intercontinental ballistic missile test in 2017, meanwhile, demonstrated for the first time a potential capability to reach the continental United States—a threat it has since reinforced with additional tests and technological development. After a brief diplomatic opening in 2018, when Kim joined meetings with both South Korean President Moon Jae-in and U.S. President Donald Trump, ended with no lasting agreements, North Korea accelerated its missile testing. It has continued to expand its nuclear arsenal in the years since. As Kim declared in a speech in March, the country now possesses "the power to pose a threat if necessary."

Today, the lessons North Korea is learning in Ukraine are also strengthening its capacity to launch limited attacks, which increases the likelihood that a clash could escalate to general war. To be sure, a hypothetical conflict on the Korean Peninsula would not look quite the same as the war in Ukraine, so Pyongyang's on-the-ground experience would not give it a decisive edge. North Korea would face a more formidable opponent than the one Russia faced when it first invaded Ukraine: the South Korean military, with half a million troops and modern high-tech equipment, has been planning, exercising, and stockpiling in preparation for a North Korean attack for more than 70 years, and it would likely be joined by the United States in combat, given that around 28,500 U.S. troops are stationed in South Korea. Yet North Korea would have advantages, too. It could put Seoul at risk without advancing first; the city and its more than ten million inhabitants are only about 30 miles from the DMZ, well within range of North Korea's nearly 6,000 artillery systems. And at less than 160 miles, the DMZ line running across the Korean Peninsula would be far shorter than the 750-mile frontline today in Ukraine—favoring North Korea at the outset by allowing it to concentrate its forces and deliver a powerful opening salvo.

North Korea faces fewer constraints than ever before.

After a war got underway, North Korea, like Russia, would rely on massed artillery to suppress South Korean and U.S. defenses, disrupt command and control, and strike major military targets around Seoul. It would be unlikely to gain air superiority, so its ground forces would have to adopt dispersal and concealment methods to avoid air attacks. And it would likely need to use its short-range missiles in the same way Russia is using these North Korean weapons today, to strike logistics nodes, command posts, air defense systems, and infrastructure. The thousands of North Korean troops sent to Russia—the first large-scale deployment of North Korean forces to a foreign theater since the Cold War—are learning how to do all of this. This cohort has suffered significant casualties; as of February, South Korean intelligence estimated that about 6,000 soldiers, more than a third of the deployment, had been killed or wounded. Yet the North Korean troops are also developing greater skill with modern weapons and now operate surveillance drones, clear mines, and execute artillery strikes for Russia. Soldiers returning to North Korea are practiced in the combined arms, drone, and electronic warfare that define the modern battlefield—experience that no training exercise can replicate.

Pyongyang seems keen to institutionalize the lessons these soldiers have learned. Last May, the North Korean army held an officer training session in which returnees shared insights from the Russian frontlines. According to Ukrainian military intelligence, many of the roughly 3,000 North Korean soldiers who have gone home now serve as military instructors. The war in Ukraine has also provided North Korea with a live operational environment where it can test its weapons and equipment and send real-time performance data back to engineers in Pyongyang. The results are visible. The same North Korean short-range ballistic missiles that were malfunctioning at high rates in early 2024 and missing their targets by up to two miles were far more accurate by early 2025, typically striking within 55 to 110 yards of their intended targets.

North Korea also seems to have secured technology transfers in exchange for helping Russia in Ukraine—support that could help Pyongyang field the capabilities it would need to fight a potential war on the Korean Peninsula. Advanced satellite technology from Russia, for instance, would give Pyongyang better surveillance and targeting data than it has now and, over time, make its missile forces harder to hide and easier to use effectively. Kim approved plans to develop technologies used to attack enemy satellites at a party congress in February; North Korea's 2024 agreement with Russia also identified space as an area for bilateral cooperation. In drawing from Russia's experience with antisatellite systems and electronic warfare, North Korea could lower its own technical barriers to developing the means to disrupt an adversary's space-based capabilities.

International monitors report that since late 2024, Russia has provided North Korea with modern air defense systems suitable for guarding against drones, cruise missiles, and precision munitions. It has also provided advanced electronic jamming gear and operational know-how that could help Pyongyang degrade South Korean and U.S. communications, jam GPS, and make it harder for drones to operate during a conflict. According to South Korean press reports citing anonymous government officials, in the first half of 2025 Russia provided North Korea with key parts for a nuclear-powered submarine, possibly including a reactor, a turbine, and a cooling system. If the reports were accurate, it still does not mean that North Korea has an operational nuclear-powered, missile-capable submarine, but that would certainly speed up the development process.

These gains together may not turn the military balance on the peninsula in North Korea's favor, but they are enough to matter at the start of a crisis. A North Korean force that is better at dispersal, concealment, drone use, and electronic warfare would be harder for South Korea and the United States to suppress quickly. That knowledge could make Kim more confident in carrying out limited escalation or a coercive attack to achieve a discrete goal, such as economic concessions or recognition of the legitimacy of his regime or his nuclear program.

It is also possible that this military progress will embolden Kim to take more decisive action. Although most observers believe that he is primarily focused on regime survival, statements he made in 2023 and 2024 describing South Korea as a "hostile state" and the "principal enemy" of North Korea suggest that Pyongyang might be recalculating. If Kim has come to believe that a window of opportunity has opened—particularly if he doubts the U.S. commitment to South Korea—his recent military buildup might be intended for offensive purposes. And even if North Korea still does not seek all-out war, any intentional or unintentional provocation could become harder to contain as Pyongyang becomes more sure of its own capabilities and the support it can secure from Russia as well as China.

TWO PATRONS ARE BETTER THAN ONE

The likelihood that an external force will stay Kim's hand in a crisis is declining because close ties with Russia give North Korea strategic options it didn't have before. For decades, the Kim regime's sole dependence on China constrained its decision-making. Pyongyang has relied on Beijing for the vast majority of its energy, food, and trade; in 1993, China supplied 77 percent of North Korea's fuel imports and 68 percent of its food imports. During the famine that ravaged North Korea in the second half of the 1990s, killing anywhere from half a million to more than three million people, China sent hundreds of thousands of tons in emergency grain shipments each year. China—and South Korea—continued to send food aid

JOAN WONG

to North Korea in the following years; in 2005 alone, they together provided nearly one million tons. North Korea's access to foreign trade, meanwhile, comes overwhelmingly through China. In 2010, China accounted for over 80 percent of North Korea's total trade, a figure that climbed to roughly 95 percent or more after UN sanctions on North Korea tightened in 2016–17 and has remained at roughly the same level in the years since.

Throughout this time, Beijing has been wary of using its leverage to push for drastic political change in North Korea. It preferred to wait for gradual economic reforms that could help stabilize the regime. Beijing has also been concerned that too much pressure on Pyongyang could result in disaster in the form of regime collapse or military aggression. Washington criticized this approach, particularly Beijing's reluctance to force Pyongyang to give up its nuclear program. But China's interests also overlapped in important ways with those of Washington and its allies. Beijing supported UN sanctions on North Korea and encouraged Pyongyang to come to the negotiating table, facilitating the six-party nuclear talks that China and North Korea began in 2003 with Japan, Russia, South Korea, and the United States. Before Pyongyang quit in 2009, the talks yielded a set of agreements in 2007 requiring North Korea to shut down and seal its Yongbyon nuclear facilities and allow the International

Atomic Energy Agency to monitor the site in exchange for substantial shipments of heavy fuel oil from the other countries.

Russia's relationship with North Korea today is different. From 2006 to 2017, Moscow voted in favor of every major UN sanctions resolution against North Korea, but now it is actively undermining the international restraints it helped construct. Most damaging, in March 2024, Russia used its UN Security Council veto to block the renewal of the mandate of a UN monitoring committee that documented violations of North Korean sanctions—violations that included Russia's own procurement of North Korean weapons for use in Ukraine. In Security Council debates, Russian diplomats have often parroted Pyongyang's language, describing North Korea's nuclear and ballistic missile development not as a violation of international law but as a predictable response to American hostility and efforts to "strangle" the North Korean regime. Since 2021, Russia has also submitted resolutions calling for sanctions to be eased or reversed, and since 2022 it has used the threat of its veto to water down or kill Security Council statements condemning North Korean missile tests.

Although North Korea remains economically dependent on China, Russia has been offering the regime a financial lifeline since the signing of the June 2024 mutual defense agreement. Russia's official bilateral trade with North Korea reached a record $34 million that year—a small amount compared with China's roughly $2 billion in annual trade with the country but nearly a tenfold increase from North Korean–Russian trade in 2022. Moscow also unfroze $9 million in North Korean assets held in Russian financial institutions in 2024, granting Pyongyang access to the international banking system for the first time in years. Russian ships have been openly flouting sanctions as they ferry munitions from North Korea and deliver much-needed oil and other fuel in exchange.

The relationship between North Korea and Russia threatens to diminish China's influence, and Beijing has responded by working harder to ingratiate itself with Pyongyang. China has run this play before, understanding that its leverage depends on remaining indispensable to all the relevant players on the Korean Peninsula: in the spring of 2018, days after the announcement that Trump and Kim would meet in person for direct negotiations, Chinese leader Xi Jinping tried to create an intermediary role for China by welcoming Kim to Beijing on his first foreign trip since becoming leader in

2011. And in a break from its previous record, China began to join Russia in pushing for more lenient treatment of North Korea at the UN Security Council.

Now China is reacting to an uptick in North Korean–Russian engagement in a similar way. Between 2023 and 2025, senior Chinese and North Korean officials met eight times, compared with Russian and North Korean officials' 25 times. But the pace of China's meetings picked up in late 2025. Kim traveled to Beijing in September and held a private meeting with Xi, the first time the two leaders had sat down together in six years. The following month, Chinese Premier Li Qiang made a reciprocal trip to Pyongyang, becoming the most senior Chinese official to visit North Korea since 2019. Both countries issued statements calling for "strengthened strategic coordination" and "deepened practical cooperation," suggesting that Beijing is keen to reassert its position as Pyongyang's primary patron. Trade between the two countries has rebounded to a level close to what it was before the COVID-19 pandemic, and ground routes across their shared border that were closed in 2020 have opened back up. China's renewed interest gives North Korea more diplomatic and economic room to maneuver. If Beijing is working hard to stay indispensable to Pyongyang, it will hesitate to undermine that effort—and risk pushing North Korea even closer to Russia—by pressuring the Kim regime.

THAT ESCALATED QUICKLY

The problem with growing North Korean–Russian alignment is not just that it has eased critical constraints on a potential conflict on the Korean Peninsula. It has also ensured that any such war would be more dangerous. It has been clear for decades that China would intervene militarily in any major conflict between North Korea and South Korea—not to rescue Kim's regime, but to advance its own interests. If the collapse or defeat of the Kim regime were imminent, China would move quickly to control North Korean territory, secure nuclear facilities, and guide the postwar political settlement. Russia, on the other hand, has neither the geographic proximity nor the force posture to compete with China's ability to move troops rapidly across the North Korean border, and to date it has shown no intention to contest China's postwar influence.

Beijing would prefer to keep Moscow's involvement to a minimum. But Russia now has new commitments to defend North Korea, and

China cannot stop it from living up to them. Russian involvement, moreover, would make it more difficult for China to protect its own interests in maintaining stability and preserving its leverage over North Korea. Moscow would want a say in when and how to de-escalate, as well as in any political agreements made after a conflict—and its preferences might not align with Beijing's. In general, Russia demonstrates a greater tolerance for risk and global disorder than China does. And in North Korea in particular, Russia is less exposed to a potential refugee crisis and is less invested in the future of East Asia than China is.

In this uneasy three-country coalition, North Korea would be in a prime position to ask both China and Russia to deploy troops in support of its war efforts, because neither country would want to give up the opportunity to shape a conflict that could directly affect its security interests. Even if these troops were not fighting alongside the North Koreans but stationed elsewhere on the peninsula, their mere presence would increase the risk of escalation for South Korea and its allies.

Deterring Pyongyang now means deterring Beijing and Moscow, too.

With North Korea drawing support from both Russia and China, South Korea would find it difficult to dominate a conventional war. Pyongyang on its own has an estimated 1.3 million active military personnel, in addition to around 600,000 army reservists and roughly 5.7 million paramilitary reservists. South Korea, in contrast, has an active-duty force of around 450,000 troops, a number that is shrinking: the size of the force fell by roughly 20 percent between 2019 and 2025, primarily because of demographic decline. Seoul's well-trained, well-equipped army, with its strong command and control and integration with U.S. forces, has long held a qualitative edge over Pyongyang's numerically larger military, and it might be able to offset its manpower declines with even better training and readiness, and affordable, scalable technologies such as drones, cyberweapons, and artificial-intelligence-enabled autonomous systems. But Russian and Chinese technologies, know-how, and production capabilities could erode South Korean advantages. With Russia and China backstopping North Korean production and helping with system integration, their combined defense industrial base could soon overwhelm South Korea's. They could even outmatch South Korea's backstop, the United States, which faces significant stockpile and arms production constraints of its own.

A tighter conventional fight and the possibility of direct Chinese or Russian involvement would make a war on the peninsula not just harder to win but also harder to end. The conflict could drag on for months as outside powers replenished munitions and jockeyed to shape the political outcome. A resolution acceptable to all parties could be difficult to find, too, if North Korea tried to prolong the process by playing China and Russia off each other. The war could also widen if North Korea struck the bases and ports in Japan and Guam that U.S. reinforcements would use to enter the theater or if Chinese troops went into North Korea to secure border areas, raising the risks of direct clashes with U.S. and South Korean forces. And the danger of nuclear escalation would rise if allied operations threatened Pyongyang's leadership, command-and-control system, or nuclear forces. North Korea's 2022 nuclear law allows nuclear use in response to attacks on those targets, and the regime would have an incentive to use its nuclear weapons early rather than risk losing them before it can act.

THREE-PARTY DETERRENCE

North Korea has not been a priority for Washington lately. The second Trump administration's attention has been firmly fixed on conflicts in Europe, Latin America, and the Middle East over the past year, and its 2025 National Security Strategy did not even mention North Korea. Its 2026 National Defense Strategy suggests that South Korea ought to take "primary responsibility for deterring North Korea with critical but more limited U.S. support." But Washington cannot simply leave this responsibility to Seoul. The task today is no longer just deterring North Korea but deterring a Korean conflict that could draw in China and Russia together. Even the United States could not win a war against that set of countries by itself. China and Russia combined have more ships and submarines, military personnel, and tanks than the United States. China alone has surpassed the United States in manufacturing output, an advantage that becomes decisive in a prolonged war. Were the United States to end up in a war on the Korean Peninsula while engaged in a great-power conflict elsewhere, such as a war over Taiwan or in Europe, the two-front fight would stretch its forces, strain its logistics, and potentially compel Washington to withdraw from at least one theater. Avoiding that scenario requires U.S. commitment now. A robust and enduring American military presence raises the risks and costs of a major war for China and Russia, which makes it less likely that either of them would gamble on supporting North Korean aggression in the expectation that they could manage the fallout.

To act as though the United States no longer needs to contribute to deterrence of North Korean aggression would be to make the same mistake that U.S. Secretary of State Dean Acheson did in 1950, when he gave a speech in which he left the Korean Peninsula out of his description of the U.S. defense perimeter in Asia. This gave Soviet Premier Joseph Stalin and Chinese leader Mao Zedong the impression that they could back a North Korean invasion of South Korea without risking an all-out war against the West. Today, overzealous U.S. attempts to shift the burden of peninsular defense to Seoul could again signal to Moscow and Beijing that what happens on the Korean Peninsula is not of great interest to Washington, increasing the likelihood of a war there.

There are steps the United States can take to demonstrate that it is still serious about the North Korean threat. The Trump administration must reiterate the United States' commitment to defend South Korea if the country is attacked, including a pledge to respond to an adversary's use of nuclear weapons against South Korea with an American nuclear counterattack. Using such language has long been standard U.S. diplomatic practice, and its omission from the current administration's official statements is glaring. Washington must also welcome Seoul's increased defense spending—South Korea pledged late last year to raise its defense budget to around 3.5 percent of GDP as soon as possible—and continue to support the eventual transfer of operational control in wartime to a South Korean command. This would expand Seoul's role in combined operational planning and in crisis decisions about how much military danger and escalation risk the alliance is prepared to accept, although ultimate command authority over U.S. forces would remain in American hands, and major decisions about military missions would be made jointly by Seoul and Washington.

Together, these moves would strengthen deterrence by making the U.S.–South Korean alliance more capable and more credible. South

Korea would bring more resources and assume greater operational responsibility, and the assurance of sustained U.S. support would disabuse any aggressor of the idea that South Korea might be fighting alone.

Strengthening U.S. support for South Korea can help advance other American security objectives in Asia, too. Washington should deploy more assets to the peninsula, but it should also seek Seoul's agreement that U.S. assets can be used elsewhere if another military conflict breaks out in the region, including a Chinese attack on Taiwan. For now, Washington's options are shaped by a 2006 joint statement in which it agreed to respect South Korea's position that U.S. forces in the country should not be drawn into a regional conflict "against the will of the Korean people"; that understanding will need to be updated with more thorough contingency planning. Seoul, meanwhile, already recognizes the need to strengthen its own defense: in a social media post in late January, South Korean President Lee Jae-myung wrote that "it would be unacceptable" for his country, "which spends 1.4 times more on national defense than North Korea's gross domestic product, to be unable to protect itself." With higher South Korean defense spending and closer cooperation with the United States on shipbuilding, naval maintenance, and other defense industrial projects, South Korea could become a major arms exporter and munitions producer—which would also make Seoul a genuine strategic asset for Washington.

Soldiers are returning to North Korea practiced in modern warfare.

For now, however, there are signs that the U.S.–South Korean alliance is on shaky ground. The Trump administration has not clarified what it means by providing "critical but more limited U.S. support" to South Korea, and the uncertainty about what Seoul can expect and under what conditions could create a schism in the relationship. Cracks are already beginning to show. In a February National Assembly session, Prime Minister Kim Min-seok fielded harsh criticism from an opposition lawmaker who asserted that the government's negotiations with Washington had failed to protect South Korea from steep U.S. tariffs. The same month, South Korea declined to participate in a proposed trilateral air exercise with Japan. And later, when a U.S. training mission over the Yellow Sea (between China and the Korean Peninsula) prompted the Chinese military to dispatch its own fighter jets, South Korean officials issued complaints to the U.S. commander—but not to China.

If the United States does not take the necessary steps to deter North Korea and reassure South Korea, the results could be catastrophic. War between the two neighbors would become more likely and, given the high probability of Chinese and Russian involvement, could expand beyond the peninsula. Uncertainty about the division of responsibilities between Washington and Seoul could reduce the effectiveness of any combined response during a crisis. In the meantime, if South Korea grows concerned about the possibility of war and skeptical of the United States' commitment to its defense, it could be driven to take drastic measures that would pull it out of Washington's orbit. It would be rational, for example, for Seoul to court Beijing and even give up its relationship with the United States in return for a guarantee that China would hold back both North Korea and Russia. At the moment, such a dramatic reversal would run up against South Korean public opinion. A 2025 poll by the Seoul-based Asan Institute for Policy Studies found that 96 percent of South Koreans believed the U.S.–South Korean alliance would remain necessary for the foreseeable future, and 80 percent supported the continued stationing of U.S. forces in South Korea. Only 14 percent preferred China as a partner. But if the United States were to severely undermine its security guarantee, such as by weakening its stated commitments or visibly reducing its military presence, the calculations of South Korean elites, if not public sentiment, could change. And if a major ally were to abandon a 70-year-old arrangement, other U.S. allies might begin to reconsider their own relationships with Washington, too.

The United States and South Korea are no longer up against North Korea alone—a country that, for decades, was dangerous but isolated. Now, Washington and Seoul cannot deter North Korea without factoring in Russia's willingness to sustain the regime and China's willingness to intervene in any conflict. In 1950, the United States made the mistake of failing to signal that the Korean Peninsula mattered—and the result was a three-year war and a seven-decade armistice that has left the peninsula in a perilous standoff between nuclear-armed powers. Today, Washington can still demand greater contributions from Seoul while living up to its own security commitments. Only a strong, steadfast United States can deter Kim, Putin, and Xi from aggression that would spell disaster for Washington and its allies.

A Grand Strategy of Consolidation

How Trump Can Revitalize American Power

A. WESS MITCHELL

The country's new defense strategy envisioned a dramatic shakeup. It prioritized the homeland and repositioned forces that had patrolled distant frontiers for nearly a century. It handed the task of securing farther-flung defensive perimeters to allies, many of which appeared unprepared to take on the burden. Establishment experts were appalled. Hawks warned that the new strategy would embolden adversaries and advocated for the old approach of being strong everywhere at once.

The year was 1904, and the country was the United Kingdom. It faced a dilemma broadly similar to the one the United States now confronts. Its empire was the world's strongest power. Its navy had more warships than the next two largest navies combined. But its strategic situation was deteriorating. Britain's economic

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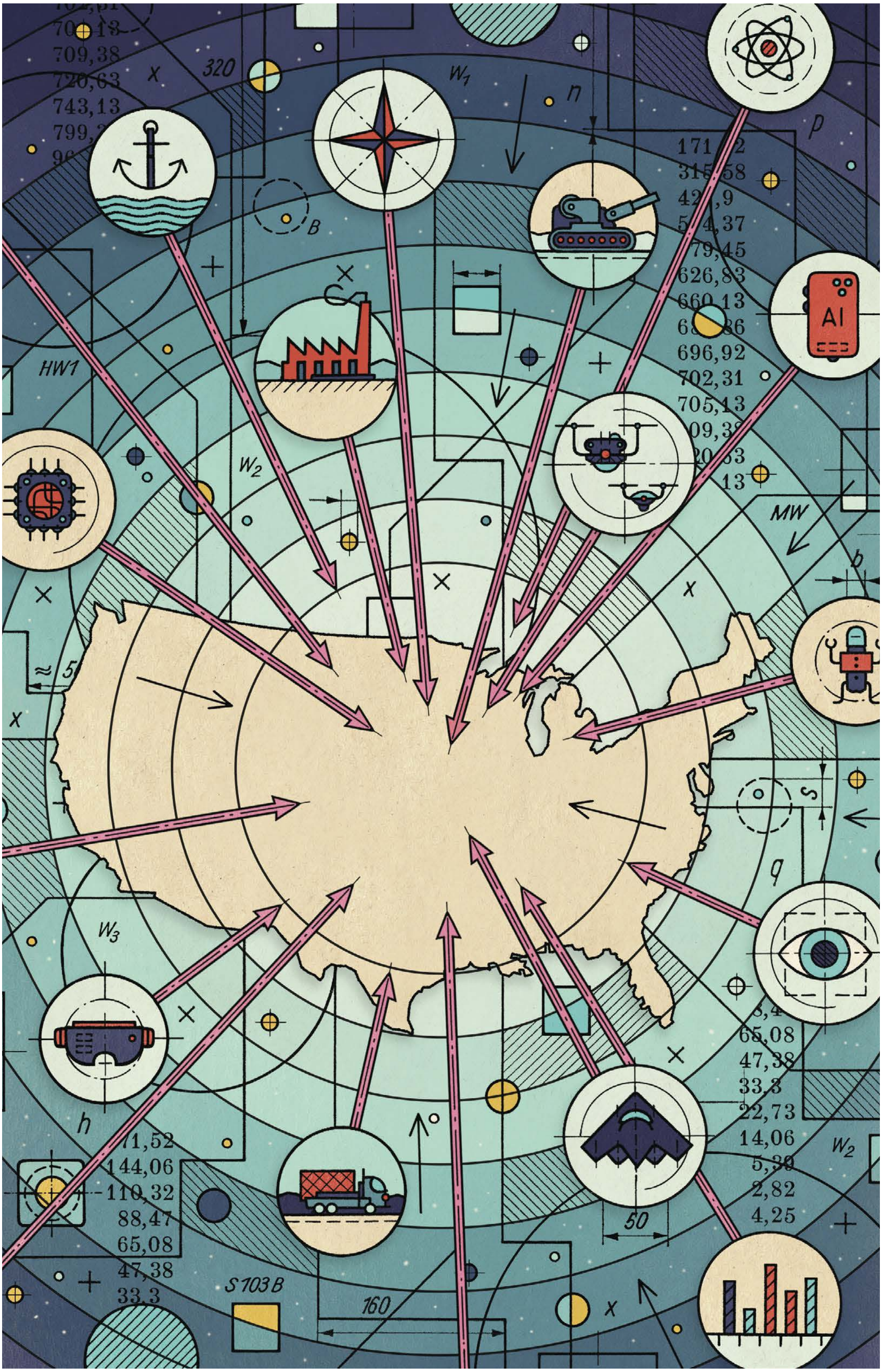

Illustration by Christian Gralingen

primacy was beginning to slip as rising powers surpassed it in industrial production. Imperial Germany was building a blue-water fleet. France and Russia were mounting fresh challenges to British power in Africa and Asia. The United States and Japan, new rivals, were pursuing dominance over their regions. British leaders had a choice: they could keep trying to outgun all these competitors or try something new.

The country's top admiral, John "Jacky" Fisher, opted for the latter course. He outlined a strategy to shore up the British position that could be characterized as consolidation. Consolidation is when a state focuses on its foremost interests while ramping up national resources to increase the power at its disposal over time. This was not retrenchment or acquiescence to national decline. Fisher decided that instead of trying to maintain all of the British Empire's far-flung naval stations, he would prioritize the waters adjacent to the British Isles to deter Germany, the United Kingdom's top threat. To cover the gaps this created elsewhere, he aimed to rely on regional allies, such as Japan and France, that British diplomats were courting. By doing so, he hoped to buy time for the United Kingdom to mobilize its powerful industries and stay ahead of its rivals in leading technologies.

The strategy was controversial. But it allowed the United Kingdom to achieve what the Prussian military theorist Carl von Clausewitz called the "highest and simplest law of strategy": concentration. By focusing limited military resources on the main theater, the United Kingdom alleviated the multifront pressure on its empire and put itself on a stronger footing for the coming confrontation with imperial Germany.

The United States is at a similar juncture today. For three and a half decades, it has maintained peace and sustained influence in all the world's major regions without difficult tradeoffs. It continued to assume it can do so even as the country's relative economic strength decreased and rival military buildups eroded its superiority. As a consequence, the United States now faces a serious misalignment between its national power and the strategic objectives to which it has become accustomed.

As the United Kingdom did in Fisher's time, the United States needs to embrace a strategy of consolidation. The second Trump administration has taken significant steps in this direction, undertaking ambitious domestic reforms to expand national power with respect to China. The war it launched with Iran in February could advance consolidation if it remains narrowly scoped, but it could undermine the strategy if it becomes protracted. Going forward, Washington must fully commit to the consolidation blueprint; future administrations need to stay the course to ensure the strategy bears fruit. That means not getting sucked into big wars or lulled back into old policy habits that reinforce the U.S. strategic predicament. If it focuses on consolidation, the United States has a historic chance to regain its bearings as a great power and prevail in a sustained competition with China, the most powerful adversary in U.S. history.

SPREAD TOO THIN

American power is overextended. The country's commitments exceed the financial and military resources at its disposal. This overextension—which is plainly visible to its citizens, its allies, and its adversaries—resulted from shifts in the international balance of power but also from past U.S. policy choices. The collapse of the Soviet Union left the United States with no peer competitor. Washington reacted by cutting defense spending while expanding its military operations worldwide. After the 9/11 attacks in 2001, it launched large, sustained deployments in Afghanistan and Iraq and military operations in more than a dozen other countries.

The financial and human costs of these wars are well documented. Less publicly appreciated is the fact that the United States undertook 30 years of continuous expeditionary warfare while allowing the structural foundations of its military power—its defense industrial base, shipbuilding capacity, and nuclear capability—to wither. Peripheral wars neither substantially increased the United States' access to resources nor even, as their architects hoped, expanded the number of U.S.-aligned democracies. Instead, they depleted U.S. strength in countless ways, including by deferring military modernization, shrinking the Pentagon's arsenal, and driving long-term sovereign debt so high that it hobbled Washington's ability to invest in the country's future.

Economic overextension is another self-inflicted wound. U.S. military operations since 2001 added $8 trillion to the national debt. In that same period, entitlement spending increased by over $2 trillion until, by 2024, it accounted for 51 percent of the federal budget.

A string of government bailouts, including the stimulus responses to the 2008–9 global financial crisis and the COVID-19 pandemic, added a further $7 trillion to the debt—a sum comparable to the total amount that the United States spent during World War II. Already, the United States pays more to service its past borrowing than to fund its defense.

A final self-inflicted wound is social in nature. The country's breathtaking fiscal expansion coincided with a deindustrialization that buoyed stock markets but gutted working-class communities that, for generations, had depended on well-paying manufacturing jobs. Between 2000 and 2015, more than 60,000 U.S. factories closed and a third of the country's manufacturing jobs were lost. In Rust Belt communities, wages declined, unemployment rose, and, for middle-aged men, life expectancies fell. Drug overdose deaths and suicides rose nationwide.

The United States pays more to service past borrowing than to fund its defense.

External factors have also helped spread the United States too thin. As the country grew weaker, its field of competitors was expanding. Thirty years ago, the United States faced no peer adversaries. Today, it faces a full peer, China, and an emboldened Russia, as well as threats from Iran, North Korea, and a bevy of nonstate actors. China's power has increased spectacularly. In 1991, its GDP was $2 trillion in inflation-adjusted dollars. In 2024, it was $37 trillion, an increase of 1,500 percent. China has used its growing wealth to mount a historic military buildup. Between 1991 and 2023, it expanded defense spending from $23 billion (in today's dollars) to more than $300 billion, a 1,300 percent increase. In 2024 alone, a single Chinese shipbuilder produced more ships than the United States has built since 1945.

The three most recent U.S. National Defense Strategies have made it clear that the U.S. military is no longer postured or equipped to fight more than one major rival at a time. Like the United Kingdom in the early twentieth century, the United States faces the danger of a war on multiple fronts that would be beyond its immediate ability to handle—what the Pentagon calls the "simultaneity" problem.

In sum, the United States faces more numerous enemies and greater internal constraints than it did either during the Cold War or in the post–Cold War period. It has a military that, until recently, was principally configured for peripheral expeditionary warfare rather than for conflict with a peer opponent and debt overhangs that preclude it from borrowing at the levels required for a major war. The gulf between Washington's means and the ends toward which it may soon need to apply these means is only growing.

RECHARGING THE BATTERIES

The goal of consolidation is to narrow the gap between a state's means and ends by systematically increasing the former and limiting or redefining the latter. It revolves around the idea that a great power can replenish its strength by confronting hard decisions, with a view to improving its power position relative to where it otherwise would have been. In practice, that means proactively accepting strategic tradeoffs as a necessary evil in the short term while vigorously renovating underlying structural factors—technology, alliances, industrial production—to alleviate or even transcend those tradeoffs over the long haul.

Consolidation is not the same as retrenchment. Both are responses to overstretch. But they differ in the basic problem they aim to address and the end goal they attempt to achieve. Retrenchment occurs when a great power believes that its core is so depleted that no changes, however creative, will allow it to maintain its old position. The great power's goal is to give up what it holds as a way of reducing the burden. By contrast, consolidation proceeds from the premise that a great power's core of strength remains viable but has been mismanaged in ways that undercut its potential. Here, the great power's goal is to preserve and replenish what it has by reweighting its external obligations and mobilizing its resource base.

Many of history's most successful consolidations were undertaken by great powers at their zenith that needed a period of focused recuperation to gain a second wind. A classic example is the Roman Empire during Hadrian's reign. Immediately before he became emperor in AD 117, Rome had embarked on wars that extended its power deeper into eastern Europe, the Caucasus, and the Middle East. Although these campaigns were militarily successful, they overextended the Roman army and depleted the empire's coffers. Hadrian consolidated by disgorging his predecessor Trajan's conquests and fortifying a defensible perimeter along the Roman

Empire's natural borders: the Rhine, Danube, and Euphrates Rivers. He negotiated a peace with Rome's top adversary (the Parthian empire in present-day Iran), delegated more to allies, and ramped up domestic economic and administrative reforms. The result was a new golden age.

Nearer to the present, U.S. President Richard Nixon embarked on a form of consolidation in the late 1960s and early 1970s, when the United States was war-weary but not in true decline. Nixon's goal was to refocus Washington on its main contest with the Soviet Union. Like Hadrian and Fisher, he pursued détente with rivals and shifted security burdens to allies, such as by adopting the Guam Doctrine, which held Asian partners responsible for their own conventional defense. He paired these moves with an ambitious program of economic reform, renegotiating trade relations with allies, expanding domestic energy production, and investing in U.S. infrastructure and technological innovation. This eased fiscal pressures, increased exports, and allowed the United States to refocus its military expenditures.

Not all attempts at consolidation succeed. In the fifteenth century, the Ming dynasty attempted to consolidate Chinese power following a period of expansion. It strengthened the Great Wall and improved agriculture and infrastructure but failed to adequately reform governing institutions and shore up its defenses against the Mongols and the Manchu, eventually leading it to succumb to outside pressure and collapse. Between World War I and II, the British Empire attempted what on paper looked like an inspired attempt at consolidation that included imperial trade preferences (lowering tariffs within the empire and raising them for everyone else) and political devolution. By that point, however, the burdens on the empire were out of all proportion to its small resource base; the United Kingdom failed to stave off a multifront war and eventually slipped from the ranks of the great powers. In the late 1980s, the Soviet Union tried to consolidate by cutting its losses in Afghanistan, using arms control to reduce defense burdens, restructuring the economy, and opening up politically. But its government was ultimately too ideologically rigid to make the reforms it needed to save itself.

Certain basic conditions need to exist for consolidation to succeed. First, a state must have enough baseline power: the entire premise of consolidation is that undermobilized reservoirs of strength can be tapped with wiser management. When no amount of mobilization can possibly match the scale of external threats, retrenchment becomes inevitable. Second, a state has to possess the will and focus to carry out a consolidation strategy. That requires strong leaders who can force unpopular policies onto the agenda (and manage the distraction of inevitable crises) and a political system able to sustain long-term plans. Finally, consolidation takes time. It is a period of intentional respite from costly foreign policy adventures and, above all, the supremely taxing trial of great-power war. Both allies and enemies have a say in the strategy's success—allies, because they must consent to a revised bargain that requires more from them, and enemies, because the consolidating state needs a period of relative stability to rehabilitate its position.

A FRESH START

The second Trump administration has pursued key elements of consolidation, as demonstrated both by its strategic documents and by most, although not all, of its major policies. The 2025 National Security Strategy explicitly identified the widening gap between the United States' means and ends—the starting point for any consolidation strategy—as the organizing problem in U.S. statecraft. The NSS proposed a program of national revitalization that rebalances the country's external commitments and makes generational domestic investments in core capabilities to increase U.S. power relative to its main rival, China, over time.

Similarly, the 2026 National Defense Strategy marks a historic shift—and bears a striking resemblance to Fisher's 1904 approach. Like Fisher, Undersecretary of Defense for Policy Elbridge Colby, the NDS's chief architect, had the foresight to see that his country was fundamentally unprepared to face a new main threat and the courage to devise an original strategy that defied the political mainstream. The NDS calls for a stronger focus on the Western Hemisphere and China, a controlled reduction of U.S. efforts in Europe and the Middle East, and an ambitious program for mobilizing U.S. military-industrial resources.

Both the NSS and the NDS embrace a logic of tradeoffs. By shifting focus away from long-standing policy priorities in Europe and the Middle East, they accept greater risks in those theaters. By pressuring allies toward greater reciprocity in security and trade, they accept a risk of friction in these relationships. By supporting a degree of strategic cohabitation with major adversaries China and Russia, they go against the establishment wisdom that both powers must be simultaneously contained.

Even before it released these strategy documents, the Trump administration began reducing the day-to-day burden on U.S. power and replenishing the country's core strengths. It has sought to reduce legacy commitments in nonpriority foreign theaters by drawing down the U.S. troop presence in Syria and trimming military aid to Ukraine. It reduced spending on foreign aid and international institutions and increased resources for securing the U.S. borders, fighting drug trafficking, and assisting friendly regimes in Latin and South America to stanch the spread of Chinese and Russian influence there. Its efforts to bring Venezuela to heel and pursue U.S. interests in Greenland both followed a consolidationist logic, as have its attempts to reconfigure its relations with U.S. allies. It successfully pressed European allies to endorse a five percent defense-spending target in NATO; in early 2026, it outlined a strategic overhaul of the alliance that would shift the conventional defense burden to European countries. In tandem, it has used tariffs to negotiate new trade agreements with allies and solicit domestic investment pledges that will boost U.S. reindustrialization; these pledges total $5 trillion so far. Tariffs have brought in around $200 billion and, if they remain in place, could add an estimated $5.2 trillion to the United States' revenue over the next decade.

Like Nixon, Trump has sought détente with major rivals. With Russia, his administration has pursued diplomacy aimed at ending the war in Ukraine and concurrent moves (including oil-price diplomacy and closing energy sanction loopholes) to pressure Russia toward an off-ramp. With China, it has used a combination of pressure and sustained diplomacy to attempt to rebalance trade relations in the United States' favor without triggering a sudden deterioration that could lead to major economic shocks or a military confrontation. Although the terms of a new trade architecture with China are still being negotiated, the process of pursuing one is consistent with the consolidationist logic of seeking cohabitation with a major rival to buy time and get the pieces in place (including expanded semiconductor production, reshored supply chains, and deepened critical minerals capacity) for a stronger future position.

At home, the administration has pursued rejuvenation by encouraging reinvestment in domestic manufacturing. In addition to seeking lower tariffs on U.S. exports, it has expanded tax credits for strategic industries, reduced onerous environmental permitting frameworks for industrial projects, and funded high-tech investment hubs. It has launched military procurement reforms that prioritize contracts for innovative commercial startups and unveiled more long-term contracts to accomplish sustained production of the most-needed weapons systems. It has asked for a 50 percent increase in the defense budget and used executive orders to press for greater investments in military production capacity.

Between 2000 and 2015, a third of U.S. manufacturing jobs were lost.

The administration has also sought to accelerate innovation in tech sectors that will determine the outcome of the U.S. competition with China. Its artificial intelligence strategy lightened regulatory constraints that hamper breakthroughs, accelerated permitting for AI data centers, opened federal land for hyperscale computing facilities, marshaled large private investments in AI facilities, and began the process of expanding the power grid to secure abundant energy sources for data centers the size of several city blocks.

Undergirding all these moves is a coordinated effort to make fuller use of U.S. natural resources. The Trump administration has rolled back regulatory restrictions on the production and export of fossil fuels, opened federal lands and offshore areas for exploration, and increased funding for uranium enrichment. In 2025, U.S. production of crude oil hit record highs and its production of liquefied natural gas surpassed the output of the next three largest producers combined.

It remains to be seen how the Iran war will affect this strategy. If the United States can expeditiously accomplish its main military objectives of destroying Iran's nuclear capabilities and degrading its ballistic missile arsenal and industrial base, it will ease the simultaneity burden by effectively neutering the weakest of the country's three main adversaries. But already, the war has depleted the U.S. military's arsenal and its readiness for a war with China. A conflict that stretches on for months or involves boots on the ground would undermine consolidation by draining U.S. blood and treasure and prompting sustained energy price hikes, higher inflation, subdued growth, and social blowback.

Earlier consolidation strategies came to similar forks in the road. Hadrian faced a crisis in the Levant that required the dispatch of several legions and could have become a multifront problem. In Fisher's time, the British faced crises in Asia, North Africa, and the Balkans that could have derailed his plans for naval concentration. The Nixon administration faced an escalatory spiral in Vietnam that could have prevented it from reprioritizing Europe. In all these cases, leaders managed the crises without allowing them to subvert the central logic of their strategy. For the United States now, management will mean using any successes in Iran to truly deprioritize the Middle East going forward.

NO PAIN, NO GAIN

Like all strategies, consolidation comes with risks. Indeed, it requires a willingness to accept obvious near-term risk for long-term gain. These risks fall into two main categories. The first is that adversaries see the strategy's underlying purpose and accelerate their plans for aggression. China, in particular, could see a window of opportunity and try to take Taiwan. Similarly, Russia might try to exploit a reduction of U.S. efforts in Europe before allied burden shifting has fully materialized. Both sets of risks increase the longer the Iran war goes on.

Critics of the Trump strategy on the hawkish right claim that prioritizing the Western Hemisphere and China will undercut the U.S. military's ability to thwart rivals in the other theaters. Some call for the United States to quickly expand its armed forces to a size that could handle two or more wars simultaneously (thus returning to the old 2- or 2.5-war standard) while also recapitalizing the U.S. nuclear arsenal. Although it is conceptually attractive, this remedy would require immense additional public borrowing. And it does not account for how the United States would meet its existing commitments during the many years such a buildup would take to complete. Prioritization is a necessity, and it must be tackled now, voluntarily and logically.

The second set of risks has to do with U.S. allies and partners who could fail to understand or be convinced by a consolidation strategy, perceive it as retrenchment or even hostility, and respond in ways that hamper Washington's ability to realize the strategy's benefits. Some critics on the left allege that by abandoning key components of the so-called rules-based international order, the Trump administration will prevent the United States from reaping the benefits of global cooperation. They worry that allies may conclude that Washington is forfeiting its role as a reliable security provider and will seek closer relationships with Beijing and Moscow.

Like the hawks, however, these critics tend to exaggerate the solvency and sustainability of the status quo. They treat "order" as something intrinsically valuable and an end in itself, even though elements of that very order—lopsided trade agreements, mass migration, and transnational protocols that left China largely unconstrained—have eroded U.S. power. Although it is true that states tend to realign when old structures no longer serve their interests, current geopolitical realities will likely prevent a foundational realignment. In many places, including in the Indo-Pacific, U.S. partners lack an alternative anchor for regional security. And the NATO countries' reliance on U.S. defense technology and planning ensures a degree of dependence that cannot be undone by speeches advocating greater European sovereignty. Even the EU, for all its trading might, faces real limits on how much it can strengthen its strategic ties with China. Europe's large, inward-turning domestic market cannot absorb the goods of a fellow exporter—and vice versa. If anything, the onset of a new economic shock from China's burgeoning overcapacity may drive the EU closer to the United States.

Still, alliances matter, and Washington cannot rely on blind structural forces to hold them together. Getting optimal performance out of allies is essential to successful consolidation. Trump's hard bargaining with allies—which alarmed so many establishment observers—was essential to get them to do things they otherwise would not have done. Now his administration must pull them closer. One way to do that is by revamping NATO along the lines Colby proposed in a February speech in Brussels: in such an arrangement, European allies would revert to focusing on territorial defense in exchange for U.S. strategic and nuclear backstopping, a concept broadly similar to Nixon's Guam Doctrine. There as well as in Asia, the aim could be to integrate U.S. and allied defense industrial bases to acquire the capability to surge production for vital munitions.

The best way to keep allies on side is to explain to them frequently, coherently, and persuasively why the United States is making changes and how those changes will be in their interests, too. That is exactly what the Trump administration has started to do. Colby laid out the material case in February. A few days later, Secretary of State Marco Rubio laid out the civilizational case at the Munich Security Conference by arguing that a "renewal" of U.S. power is a prerequisite to the defense of the West. Sustaining these messages, while working pragmatically to help partners implement their planned defense buildups, will mitigate the inevitable friction that comes with prioritization.

BACK ON SOLID GROUND

Trump has taken important steps to set the United States on a path to consolidation. Some of the very qualities that have most alarmed his critics—his conceptual heterodoxy and the speed with which he changes policies—have been crucial to jar the U.S. system, as well as U.S. allies, into a mindset of urgency. The United States now needs to stay the course by keeping its frontiers as stable as possible and wisely using the time that consolidation buys to strengthen the U.S. power base. Most important, it must not allow the war in Iran to become a morass. Even a small regional war, if it becomes protracted, could derail consolidation.

Washington must also wield diplomacy to the fullest extent possible to sustain and, within certain limits, widen the détentes Trump is trying to build with Russia and China. Détente does not signal weakness any more than Hadrian's peace with the Parthians did; the goal is to constrain rivals from pursuing their optimal strategies while freeing the United States to pursue its optimal strategy.

With Russia, Washington should continue its current dual track of diplomacy and pressure. Its aim should be to end the war with an intact Ukrainian glacis, just beyond the formal U.S. security perimeter, that is strong enough to impede Russia's expansion and (together with NATO's rearmament) deflect Russia's attention to its eastern territories, where China is making deep inroads.

It should continue to spurn Russia's push for a new, comprehensive security settlement in Europe, which would only have the effect of drawing Moscow's energies westward. But it should encourage new initiatives in arms control. Because of the Ukraine war, Russia will need to redirect spending from its nuclear arsenal toward rebuilding its conventional forces. This presents an opportunity to revise old arms frameworks, minted when the United States had only one major rival, to account for the need to deter China.

With China, the United States should likewise strive to constrain the frame of competition. It should continue to emphasize deterrence by denial instead of primacy as the goal of U.S. power in Asia. It should engage Beijing primarily on trade, with the goal of reaching a new geoeconomic détente that stops short of full decoupling while erecting restrictions in high-tech areas to protect key competitive advantages.

As the commercial plank develops, Washington should be willing to explore a security component to U.S.-Chinese relations. The United States and China need to have deeper discussions about the strategic implications of emerging space and cyber technologies, for example, which harbor rapid escalatory potential. The Trump administration is also right to emphasize the development of new crisis-management mechanisms to ensure that small incidents and accidents do not spiral into unintended conflict.

Washington needs allies that can defend themselves and augment American power.

Washington must pair its diplomatic outreach to rivals with a comprehensive effort to convert its alliances into more mature and well-integrated structures. The proximate goal should be to develop alliances that can reduce the United States' simultaneity burden by making substantially bigger contributions to conventional security in their respective regions. That will mean that future U.S. administrations will have to pressure allies not only to fulfill their laudable pledges to increase defense spending but to accomplish what this money is meant for—improved readiness, deeper magazines, and greater warfighting prowess.

Beyond that, the United States should want to get its alliances to a point where allies not only defend themselves more effectively but also actively augment the U.S. power base. It should want allies that provide market access to support U.S. reindustrialization while continuing to support the dollar as the premier reserve currency; whose defense industries are aligned with U.S. industries in integrated structures; and whose tech regulations boost rather than hamper U.S. innovation in fields such as AI. Getting to this outcome will take time and require a revised grand bargain with allies that codifies reciprocity across the board in both security and trade so that reciprocity is not just a transient byproduct of tariff threats but part of the foundation of the relationship.

The hardest challenge will be internal. The quickest way for the United States to derail consolidation would be to lurch back toward the habits that led to overextension—fixating on achieving defense primacy worldwide, going back to nonreciprocal trade deals, latching back onto transnational causes that are detached from the U.S. national interest, pursuing nation building and democracy promotion with missionary zeal, or reverting to economic policies that accelerate the hollowing out of the American heartland. The United States has big built-in advantages over its rivals, and it has much deeper reservoirs of strength than either Rome or the United Kingdom did in their prime. But its debt has become an albatross. Eventually, there is no getting around the fact that the United States must confront hard tradeoffs in spending. That is difficult to envision in the current polarized setting. But a good starting point would be to develop a consensus on consolidation as a strategy and its corollaries of rebalancing commitments abroad and rejuvenation at home. Ultimately, the optimal way out of the debt problem is stronger economic growth—which can only be achieved by consolidation's self-fortifying mix of deregulation, focused investment, and increased energy production.

If the United States can stay the consolidationist path, it could, a decade or so down the road, find itself in a much-improved state of affairs. It would have a thriving economy fueled by abundant cheap energy, a strong manufacturing base, and an AI sector second to none. It would have confident allies fielding serious militaries that have fundamentally altered the balance of power in the world's major regions and have freed the country from the worst aspects of the simultaneity problem. It would have a deeper arsenal of weapons, backed by a reanimated American industry that is less reliant on its main rival to develop lifesaving medicines, power the U.S. economy, or acquire the materials to wage war. That United States would have truly gained a second wind as a great power—and be in a position to ensure its citizens and allies a continuation of the safety and prosperity to which they have become accustomed well into the twenty-first century. ◆

Venezuela Needs Regime Change

The Narrow Path to a Democratic Transition

JAVIER CORRALES

When U.S. forces swooped into Caracas in January to seize President Nicolás Maduro, many Venezuelans inside and outside the country rejoiced. Maduro's ouster seemed to signal the imminent end of a regime that had for years oppressed and immiserated its people. Thanks to bold U.S. action, a government that had rankled its neighbors and sowed instability in the region now appeared destined to fall.

But something peculiar happened. Unusual in the long annals of U.S. intervention in Latin America, the United States removed the dictator but kept the dictatorship. In the past, when Washington decided to intervene militarily to remove a regime, it delivered. Except perhaps for the foiled 1961 Bay of Pigs invasion of Cuba, U.S. military actions in Latin America catalyzed change, deposing regimes or defeating foes in the Dominican Republic, Grenada, Guatemala, Nicaragua, Panama, and

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elsewhere. Democracy did not always follow, but the United States did remove its adversaries. In Venezuela, however, the United States got rid of Maduro but left in place his party and allies. Maduro's vice president, Delcy Rodríguez, has become the country's president. Venezuela's long-suffering opposition now has reason to fear that Washington will do little to advance a meaningful political transition in the country.

U.S. President Donald Trump is in no hurry to dislodge the old order now that Venezuela under Rodríguez is accommodating Washington's economic interests. U.S. oil companies have received licenses to resume operations in the resource-rich country, and according to the White House, the United States has already received tens of millions of barrels of Venezuelan oil. "We have a great situation going over there, with a wonderful president . . . Delcy," Trump said in March. "And she is doing a great job, and they are all doing a good job." He also welcomed back to the White House that month the Venezuelan opposition leader María Corina Machado, who won the Nobel Peace Prize in 2025. She had come to seek clarity about Trump's plans for democratization and a political transition in Venezuela; in January, she had bestowed on Trump her Nobel medal—an award he has publicly craved for years. But in March, Trump and U.S. Secretary of State Marco Rubio offered Machado little in the way of assurances, advising her not to return to Venezuela for the time being.

The United States removed the dictator but kept the dictatorship.

Democratization may very well not be on the horizon. The Trump administration is not prioritizing a political transition in Venezuela. The regime in Caracas already insists it is running a democracy. By officially styling Rodríguez as merely an "interim president," the regime avoids the constitutional requirement of holding an election quickly to find a successor for Maduro. It has offered no timeline for future elections. Venezuelans could reasonably conclude that although their country's relationship to the United States has changed, their government's relationship to its people looks likely to remain the same.

But political liberalization is still possible. Maduro's removal means the long-awaited end of the regime's original rulers: the founding fathers of the dictatorship, Hugo Chávez and Maduro, are truly gone. Chávez died in 2013, and Maduro is now in a U.S. jail awaiting prosecution on charges relating to drug trafficking. The chances of a country's democratization tend to increase when the founders of that country's dictatorship disappear. The regime's heirs end up facing forms of internal turmoil and unforeseen incentives that can precipitate political change. Venezuela's own history offers examples of this process: democratic transitions eventually occurred after the long-ruling general Juan Vicente Gómez died, in 1935, and after the dictator Marcos Pérez Jiménez was deposed, in 1958.

Despite the current unpropitious circumstances, Venezuela could still return to democracy. It would happen slowly, traumatically, and most likely as the result of cracks within the dictatorship and continued inventiveness and doggedness on the part of the opposition. The problem is that those seeking greater democracy and freedom in Venezuela now face another challenge that their predecessors did not: they will likely have little help from the United States.

PERESTROIKA WITH NO GLASNOST

When U.S. forces extracted Maduro, they achieved what a decade of economic and diplomatic pressure could not: the removal of a brutal autocrat. The operation was, in some ways, a recognition that the policy of "maximum pressure" through economic sanctions had failed. Only a spectacular abduction managed to bring Maduro down.

The operation was impeccably executed. In a matter of hours, U.S. forces found, captured, and whisked away Maduro and his wife without suffering any American fatalities. The United States brushed aside Venezuela's military defense systems, with Venezuelan officials essentially watching the incursion unfold, unable or unwilling to respond. It was the first overt U.S. military operation against a ruler in Latin America since the 1989 invasion of Panama—and probably the cleanest ever operation of its kind.

And yet the outcome of the operation was far murkier. The democratic opposition did not surge into the halls of power. Washington kept the dictatorship in place, belying the notion that the central motivation for action in Venezuela was to bring about regime change. Maduro's number two, Rodríguez, has become Trump's number one person in Caracas. As the new, U.S.-recognized president of Venezuela, she has retained all the institutions she inherited from Maduro and many hard-line members of the ruling party. Rather than regime change, this is regime preservation. Rather than dismantling the coercive apparatus that Maduro built, the United States has allowed it to endure.

This outcome is very odd. Every U.S. president since George W. Bush has decried the atrocities committed by the rulers in Caracas. Trump was probably the loudest critic, and his criticism was justified. Venezuela has the worst human rights record in Latin America: close to 20,000 politically motivated detentions since 2014, according to nongovernmental organizations; the widespread use of torture; a reliance on thuggish paramilitary groups to repress protesters and plunder neighborhoods; and deep ties with drug traffickers, criminal gangs, gold smugglers, shell companies, and even foreign guerrillas. Under Rodríguez, the regime has released some political prisoners in recent months and replaced some Maduro loyalists in the cabinet, but the state's repressive apparatus remains unreformed.

In January, the Trump administration announced a three-stage plan for Venezuela that consisted of first stabilizing the country, then guiding an economic recovery, and only after that encouraging a political transition. This proposed sequence is unusual. Trump reversed the typical order of priorities in regime transitions. Most Venezuelans outside the ruling party wanted the country to embrace democratization first and then turn to economic reform. Trump has focused entirely on economic matters and almost exclusively in relation to extractive industries, allowing democratization to slip down, and perhaps altogether off, the agenda.

The content of the plan is also disquieting. The first stage, stabilization, seems particularly perverse. The Maduro regime was already delivering a form of stability through systematic repression, paramilitary violence, and the control of political prisoners. For the Chavista elite, hearing a call for "stability" from Washington could easily be interpreted as a license to continue with business as usual.

The second stage, economic recovery, aligns comfortably with what the dictatorship has long sought: respite from its economic plight through significant new investment in its oil sector. The problem with prioritizing recovery before transition is that a recovery could provide the dictatorship with resources to survive. The Maduro regime plunged Venezuela into an unprecedented economic collapse: some estimates suggest that his tenure saw the Venezuelan economy contract by more than 70 percent. This implosion was the result of disastrous economic policies, mismanagement of the oil sector, and, starting in 2019, comprehensive oil sanctions imposed by the United States. Since the early 2020s, the regime had been desperately seeking a way out of the crisis and out of the chokehold of U.S. sanctions.

No white flags: At a rally against U.S. sanctions, Caracas, Venezuela, March 2026

JUAN BARRETO / AFP / GETTY IMAGES

Now, the Trump administration has provided the regime with an economic path forward: a detailed plan to rebuild its oil economy, sell oil to the United States, and attract foreign investment. Reports suggest that U.S. officials, along with executives from U.S. oil corporations, even helped design Venezuela's new hydrocarbons law—the most important economic reform introduced since Maduro's removal. The law, which allows private companies much greater access to Venezuela's oil sector, is highly favorable to foreign investors, partly because it reflects their input. It will likely usher in the largest wave of investment Venezuela has seen in its oil industry since the boom of the early 2010s. That might lead to greater consumption, but this injection of capital into the economy on its own will not pave the way for real development. By prioritizing oil and mineral extraction while leaving all other economic institutions intact, the United States is effectively reinforcing an economic model in which foreign and local elites capture rents from the export of natural resources yet do not channel profits into other productive activities, encourage greater economic efficiency, incentivize innovation, address inequalities, or become more accountable. Even if guided by the U.S. State Department, such an economic model will only benefit some Venezuelans.

The post-Maduro regime would have preferred not to make so many economic concessions to the United States, but its leaders are aware that they have much to gain from accommodating the Americans: Washington is effectively bailing Caracas out. That is why the Venezuelan legislature approved the law swiftly, less than a month after Rodríguez assumed power, and without much protest.

If the second stage outlined in the U.S. plan—the attempt to revive Venezuela's economy—has come with detailed conditions imposed by the United States, the third stage—a political transition—lacks detail. U.S. officials have spoken of a political transition, but they rarely mention democratization. They have vaguely mentioned holding elections at some distant date but have not even discussed any negotiations about timelines or, more alarming, the institutional reforms needed to ensure that future elections are free and fair.

Such reforms would need to include measures that create an independent electoral board, organize party primaries, repeal laws that repress political activity, legalize banned political parties, dismantle the state's coercive apparatus, ban torture, abolish the secret police, restore freedom of expression and freedom of the press, and invite international observers to monitor the polls. Unless these details are ironed out, any future elections could unfairly grant the ruling party an ostensible victory at the ballot box and provide only the mirage of democratization.

The current arrangement between Washington and Caracas involves liberalizing the economy exclusively for the oil and mineral sectors, while postponing any meaningful political reform. This might be called a partial perestroika and a delayed glasnost, borrowing from the Soviet-era Russian terms for economic restructuring and political reform, respectively.

This partial perestroika has clearly been designed with U.S. oil companies in mind. Many oil executives have supported Trump's election bids in the past decade. The U.S. Treasury has issued licenses allowing U.S. firms to trade in Venezuelan oil, make upstream investments in the country's oil industry, and embark on contract negotiations with the Venezuelan government. To be sure, the U.S. oil industry isn't entirely sold on the current outcome in Venezuela. For U.S. oil majors to truly reap the rewards, they first need to make huge investments in Venezuela to repair the crumbling oil infrastructure—but at the moment, they do not seem eager to do so. In addition, Venezuela's new law still stipulates that the state oil company must be part of all oil operations, a major win for Rodríguez but a condition that may lead to widespread corruption to the benefit of the regime. Understandably, many U.S. investors seem wary of getting entangled in Venezuela. Without their investments, it could be a while before U.S. firms enjoy the potential oil gains of Trump's Venezuela gambit.

The delayed glasnost, of course, benefits the ruling party in Venezuela. The regime has had to sacrifice some dignity by making concessions to the United States that it finds ideologically unpalatable, such as granting the White House control over oil export revenues. But it has also scored important wins. Rodríguez got a promotion; she is now president. And the state oil company remains a key actor in the oil industry, allowing Rodríguez to extend her tentacles into whatever new business grows between Washington and Caracas. She also won a great legitimizing partner in the United States, which, despite the unpredictability of the Trump administration, is now a major guarantor of stability in Venezuela. Rodríguez also secured a potential path out of economic misery. She can sell oil to the United States at market prices, access international credit, and oversee an economic recovery that she hopes will allow her party to recover politically. And the U.S. government appears to have accepted the regime's most important demand of all—the exclusion of the opposition from any power sharing.

The biggest losers, of course, are Venezuela's democratic forces. In addition to Machado, opposition groups across the political spectrum have been reduced to spectators. They have been excluded from negotiations between the regime and U.S. officials and given no clear timeline for the promised transition.

Trump likes to say that Washington is in full control of Caracas. But in reality, the United States faces a significant "principal-agent problem" in its dealings with Venezuela. To use a corporate analogy, Trump has contracted out Rodríguez to act as his agent in Venezuela, but the agent's interests and methods—surviving in office, dealing covertly with mafia organizations, maintaining secret ties with other powers, and relying on deceit and repression—are matters that the United States cannot easily control. If the Venezuelan government does not reform its criminal justice system and repressive apparatus, the United States will not be able to encourage the protection of human rights in the country. If Caracas does not create greater transparency in its electoral processes, Washington will not be able to ensure a future free and fair election. And if Venezuela's state oil company is not reformed, U.S. officials will have little control over how the regime manages the economic recovery.

GRADUALLY, NOT SUDDENLY

U.S. officials have made some noises about ushering in political reform in Venezuela. Rubio mentioned shortly after the removal of Maduro that Venezuela could copy Spain's transition to democracy after the death of the dictator Francisco Franco, in 1975, but the Rodríguez regime has taken few steps to replicate that model. In that transition, the heirs to the regime immediately legalized all opposition parties and unions, signed pacts of power sharing and mutual tolerance with the leading political parties, and designed a new and democratic constitution. Four months after Franco's death, his heirs proposed disbanding the old legislature, which was controlled by his supporters. Elections took place less than a year after Franco's death. This was big-bang democratization, a souped-up version of glasnost. But the United States and its partner in the Venezuelan regime seem intent on moving much more slowly.

Given this lack of urgency, the best that proponents of democracy in Venezuela can hope for is a kind of democratization that proceeds incrementally. Instead of a sudden overhaul, the regime would agree to more circumscribed reforms, such as sharing oil revenues with opposition groups, dismantling the coercive apparatus, abolishing some of the most repressive laws, and reforming a few governing institutions. This opening could give the opposition new opportunities to exert more pressure on the regime and win more reforms.

Mexico liberalized in this gradual way in the 1990s and early 2000s. Three decades ago, when it faced a huge debt crisis, the ruling Institutional Revolutionary Party (PRI) chose to take incremental steps. First, it focused on fixing the economy through privatization and formalizing trade openness with the United States under the North American Free Trade Agreement, not unlike what Venezuela might be pushed to do under Trump. It then agreed to minor political and electoral reforms that initially did not appear too threatening to the regime. These included professionalizing the electoral supervisory board, strengthening judicial independence, and ensuring greater funding for an array of political parties. Those institutional reforms proved monumental: they made it harder for the PRI to manipulate electoral rules, allowed its leaders to get comfortable with the possibility of ceding power, and further incentivized opposition parties to pressure the regime at the ballot box.

To be sure, these Mexican reforms occurred at a time when international actors—the United States, Canada, European partners, and even newly established democracies in South America—were all pressuring Mexico to embrace democratization. In the wake of the end of the Cold War, many regimes felt compelled to democratize. Today, by contrast, democratic backsliding and illiberal populism are more common. Few international actors are willing to expend political capital to encourage democratization.

But the Mexican case is not simply a story of the benefits of outside pressure. Domestic forces played a crucial role. Opposition groups denounced corruption, demanded greater electoral transparency, and competed (rather than abstained) in every electoral opportunity they could. In this regard, Venezuela has a huge advantage. Unlike in other dictatorships such as Cuba and Nicaragua, the democratic forces in Venezuela were never fully defeated. During the Biden administration, Venezuela's democratic opposition recovered substantially under Machado. And more important, Machado and her team have demonstrated that they know how to mobilize voters. Her new challenge is to persuade the ruling party that if it were to lose electorally, it would not lose everything. This may require the opposition to signal its willingness to engage in some type of power sharing with the ruling party, however ethically repugnant it might be to make concessions to the regime that has inflicted so much pain on the Venezuelan people.

The opposition can still find ways to outsmart the government.

Pressure for liberalization could also come from within the regime. Despite its survival under Rodríguez, the regime remains decrepit and somewhat directionless, focused mostly on guaranteeing its survival. No dictatorship is a monolith. Factions within the regime have, in the past, sought to take a more soft-line approach on various issues, particularly when dealing with dissent. Often, the regime severely repressed these soft-liners, leading to the imprisonment of several military officials and leaders of the ruling party or their defection to the opposition. Now that Venezuela's security ties with Cuba, which helped the regime surveil and scrutinize its own members in the past, have weakened, the government may be less able to repress the soft-liners. These moderates could reorganize and persuade Rodríguez that the best chance for the regime's survival is a move away from repression.

Venezuela's own history, not just that of other countries, offers important lessons. During the reign of Pérez Jiménez in the 1950s, the refusal of the ruling authoritarians to liberalize led to their overthrow.

Pérez Jiménez's faction became irrelevant after it was ejected from power. By contrast, the socialist opposition of the time, known as Democratic Action, agreed to moderate its policies and sign a power-sharing deal with its opponents, the so-called Punto Fijo Pact of 1958. This move allowed Democratic Action, which won elections in 1958, the ability to govern with impressive stability, free of major insurrections and coups. Chavistas could consign themselves to the irrelevance of Pérez Jiménez's faction, or they could recognize that in the face of low popularity, a smart strategy is to negotiate with the opposition and, in the event of electoral defeat, establish the terms of their survival as an opposition force.

Obviously, the odds of this sort of change remain slim. Venezuela is not on the verge of turning into the Mexico of the 1990s or the Venezuela of the late 1950s and 1960s. Their starting points are vastly different. Small steps brought Mexico, a country that could be described in the 1990s as a semiautocracy, closer to democratic rule. Such small steps won't be sufficient in today's Venezuela, which can very much be described as a hard autocracy.

An incremental process will also be difficult to put in place. The regimes of Mexico and Venezuela in those past eras were not as brutally coercive or as deeply tied to criminal enterprises as the current Venezuelan state. The regime is trying to gain time, not strategize about how to survive and recover as an opposition force. Furthermore, the population's hatred of the current ruling class makes a managed, gradual transition very difficult for many Venezuelans to tolerate. And of course, in the case of Mexico, a crucial external actor put pressure on the PRI to accept democratic reform: the United States.

MAGICAL THINKING

One of the most significant works about Venezuela in the late twentieth century is *The Magical State* by the Venezuelan anthropologist Fernando Coronil. The book argues that Venezuela's oil riches always give its rulers the illusion of wealth, convincing them that everything can be fixed with the lucre that comes from oil. This delusion distorted realistic assessments of the country's conditions and needs.

That magical illusion has now entered a new phase, seeping well beyond Venezuela's borders. Many Americans, particularly within Trump's MAGA base, think that the Venezuelan problem has been fixed. Trump is under the impression that he runs Venezuela. The regime still in power in Caracas also operates under the assumption that a mere change in its foreign policy—becoming friendlier to the United States—is enough to placate its critics.

As Washington turns on the oil taps, the political system remains padlocked. But the entire state apparatus is dilapidated, and the ruling party is demoralized. Its leaders are massively unpopular and viewed as illegitimate at home, even if they currently enjoy Washington's indulgence. Opposition forces, as well as factions within the regime, can sense those weaknesses. And they could find ways to pressure the regime to effect meaningful change or, alternatively, destabilize it from within.

In addition to fighting the dictatorship, the opposition now must push the United States to help secure it a place at the table. But it also knows that the dictatorship has absorbed a tough blow with the removal of Maduro and that citizens are less convinced of the regime's strength. Democratic forces can still challenge the regime, even in unfavorable conditions.

The opposition did so in 2024 when it managed to defeat the regime, which had tried to heavily rig the elections. Of course, the state apparatus clamped down and ignored the verdict of the ballot box, but the episode was a reminder of the popularity of the opposition and the fragility of the regime. Even if Washington does not encourage the overhaul of political rules in Caracas, the opposition could find ways to outsmart the government. The regime never managed to abolish elections. It rigged them, no doubt, but never eliminated them. At some point, it will have to offer elections, which will not be free and fair. But the opposition could repeat some of the strategies that worked well for it in 2024: participate in elections (even if they appear rigged), encourage electoral unity (even if the opposition is ideologically diverse and fragmented), discourage abstentionism (even if people are tired of voting), and work to monitor the polls (even if that invites the brutality of the state). Through such action, the opposition can push Venezuela toward democracy.

The United States wants Venezuela to be a stable petrostate that could, in time, become a cash cow for U.S. firms. The dictatorship in Venezuela has realized that it can deliver exactly that outcome while keeping the United States from demanding more meaningful change. This arrangement could help the dictatorship stay in power for years to come. It is now up to opposition forces to find ways to pressure both the United States and the regime. No one else is coming to their rescue. 🌍

REVIEW ESSAY

Why Capitalism Persists

How Tensions and Resistance Can Drive Reinvention

JEREMY ADELMAN

Capitalism: A Global History
BY SVEN BECKERT. Penguin Press, 2025, 1,344 pp.

The world has entered an era of autopsies and prophecies. According to many scholars and commentators, the order that the United States presided over after the end of the Cold War is dead. After the Soviet Union imploded, many assumed that the defeat of communism would augur the ineluctable spread of both capitalism and democracy—all stewarded by the United States. But it is now liberal democracy that finds itself in crisis, with democratic backsliding common around the globe, public mistrust of liberal institutions on the rise, and growing doubt about the wisdom of free trade and open markets. The convulsed domestic politics and foreign policy of the United States have thrown this crisis into stark relief. In his now famous speech at the annual meeting of the World Economic Forum in Davos in January, Canadian Prime Minister Mark Carney offered a valediction for the U.S.-led order and urged others to accept its passing without mourning or nostalgia.

What comes next after this "rupture," to use the prime minister's phrasing, is the subject of great debate. On the right in Western countries, the rupture is considered a restoration, an opportunity to make capitalism great again by reversing generations of the cosmopolitan embrace of free markets. Critics on the left worry that states are seizing control of markets not in service of stronger social safety nets and protections for the vulnerable, but to elevate and entrench a new oligarchy of tech elites. Lamentations abound. Market fundamentalists bemoan the

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Illustration by John Lee

return of tariffs, soaring public debt, and what they consider excessive regulation. Centrist liberals survey the turbulence and see the end of the Enlightenment altogether, with its commitments to reason, moderation, and cooperative self-interest.

A rough consensus emerges from these swirling narratives. Liberalism, the political and philosophical system once seen as capitalism's cornerstone, is spent. Proponents of liberalism championed the belief in personal autonomy and the unobstructed right to property, ideas that supported the opening of markets and underpinned modern gospels of free trade. The nineteenth-century liberal philosopher John Stuart Mill, for instance, insisted that a healthy economic system rested on distributed property rights and access to market exchange. And yet such systems in the current age have produced glaring inequality and strong concentrations of personal wealth and state power.

A postliberal world now awaits, one in which a capitalism shorn of its liberal qualities may predominate. The alliance of democracy and capitalism, born in the wake of the Industrial Revolution of the late eighteenth century and the widening suffrage of the nineteenth century, may simply have been one chapter in a grander epic, a phase that conjured the illusion that people had to be free for societies to prosper. After all, before its liberal phase, capitalist societies often depended on slave labor and colonial monopolies. This gloomy consensus holds that now, in its postliberal phase, capitalism may just be returning to some version of its past. The impression that China can thrive unconstrained by the niceties of pluralism and debate helps seal this conclusion.

In *Capitalism: A Global History*, the acclaimed Harvard historian Sven Beckert offers a narrative for these times. He insists that capitalism, the world's now universal economic system, does not depend on liberalism. Anchored in the defense of private property and the imperative of profit seeking, capitalism has deep roots in a pre-liberal age and can thrive when freed from normative commitments to liberal values. In Beckert's view, capitalism relied less on individual freedom than on coalitions of moneyed men and muscular states. Even as the dysphoria about free trade and unregulated markets deepens, countries appear to be turning back the clock to a more unvarnished age, marked by exploitation and the ruthless pursuit of profit. In that light, perhaps it's not surprising that a 2025 Gallup poll found that only 54 percent of Americans have a positive view of capitalism, the lowest level since Gallup began tracking such attitudes in 2010.

And yet these dark prophecies obscure what has made capitalism distinctive compared with its predecessors and its alternatives. Capitalist societies have had an uncanny ability to translate tensions and resistance into renovation. That was especially the case in the nineteenth and twentieth centuries, when liberal political systems allowed for contestation and debate that prompted the adjustments that helped reinvent economic systems. Each time observers predicted its end—beginning with the sages of the apocalypse, Karl Marx and Friedrich Engels — capitalism rebounded anew. Its pluralist forces found ways not just to survive but to take production and distribution to new levels. And even now, as so many take a dim view of the direction of capitalism, that past holds out the possibility of meaningful and positive renewal.

THE MERCHANT AND THE STATE

Beckert is best known for his award-winning 2014 book, *Empire of Cotton: A Global History*, an epic account of the cotton industry and its shaping of the global economy. That work presaged this latest book, which significantly widens the aperture. Beckert insists that in the sweep of human history, the emergence of capitalism in the last millennium marked a "radical departure and discontinuity in human affairs." It pulled economies and societies out of long periods of slow growth and out of the systems that generated opulence for entitled rulers while consigning the rest to subsistence. FOR FREE MAGS CHECK SASTATUS.COM Beckert describes capitalism as "a global process in which economic life is fundamentally driven by the ceaseless accumulation of privately controlled capital, is structured by the state, and propels the ever-expanding commodification of inputs and outputs," one that supplanted a multitude of other ways of organizing production, labor, and social relations. That definition allows him to range broadly in this monumental achievement of a book, from Bengal to Buenos Aires, from Marco Polo in the 1280s to the Midland miners' strikes in the United Kingdom seven centuries later.

Before capitalism, there were capitalists. The conventional origin story of capitalism fixes on urbanization in medieval Europe and the rise of the merchant classes that would eventually upend feudal systems. Beckert, by contrast, begins his tale not in Europe, but among the merchants of twelfth-century Yemen, where the port of Aden sat in a constellation of Indian Ocean entrepôts humming with traders and moneylenders. They created financial instruments, such as bills of exchange that functioned as an early form of credit, and practices, such as long-distance partnerships, that brought riches to the ports that dotted the Indian Ocean trading world. Over time, these merchants gathered strength and power. Their instruments became more complex and effective, and they accumulated capital, a fungible resource that could be loaned, invested, or squandered. Similar processes unfolded elsewhere, including in parts of Europe. In this early period, capitalists could be found in a few clusters around the world, going about their business without the power to really shape the affairs of great kingdoms with their agrarian power bases.

After 1500, something peculiar happened among the fractious states of western Europe. Capital became more than a private instrument for conducting trade and demonstrating status; it became a resource to lend to states so they could build armies and navies. This historic pact turned commercial hubs into empires. Merchants depended on the power of states to protect their property, but states found in merchants something that they could not get from agrarian grandees: deep, replenishable reserves of money that could be used to clear land and build the infrastructures of expansion, starting with fortified ports, navies, and the armies of sprawling monopolistic trading companies that seized footholds in Asia and the Americas. The money that laced together merchants and states came, above all, from making labor a commodity that could be sold and bought. This became essential to the development of capitalist systems. In the coming centuries, capitalists would commodify labor, for instance by enclosing formerly open lands, thereby eliminating the self-sufficient communal life of peasants, nomads, and autonomous villagers, forcing them to sell their labor for wages and purchase their necessities in the marketplace. Capitalists would do this through enlisting the backing of both kings and warriors, lawmakers and security services.

Beckert claims that this reciprocal dependence between merchants and monarchs produced in the Atlantic world after 1492 the first incarnation of capitalism, what he calls "war capitalism," in which Spain and Portugal, followed by France, the Netherlands, and England, relied on coercion to impose new rules while warring with rivals on the high seas and in distant lands. In this economic system, aggressive and expansionist states allowed merchants opportunities to accumulate money and to plow that money into enterprises that privatized land and made it harder for workers to be independent and self-sufficient. But capitalism's writ was still limited. Even by 1800, he writes, "much of capitalism was confined to just a few islands in a vast sea of economic life organized around other principles—subsistence production, tributary rule, and almost no economic growth."

But soon, more parts of the world succumbed. "Industrial capitalism" emerged in the late eighteenth century in the North Atlantic. Mechanized production transformed societies, as did the accelerating need for raw inputs. Steam power and factories spurred demand for cotton and coal, and intensified a European drive into hinterlands for fibers, foods, and fuels. Two hundred years later, the expansion of commodity frontiers continues even as many Western economies have turned from manufacturing to services as countries elsewhere have industrialized.

What Beckert calls the "neoliberal capitalism" of the last half century saw a fundamental rewiring of the international division of labor, with the relocation of industry to Asia and Latin America from Europe and North America. The label neoliberal denotes the state's retreat from labor protections and the opening of national markets. International financial networks and fleets of container ships sent global trade soaring, but the hollowing out of industrial belts in the United States and Europe triggered today's populist and nationalist backlashes—and a return to coercive competition between rival powers. One might call this war capitalism 2.0, with an emphasis on coercive extraction, feuding over resources, and trade wars in the name of national security.

A LOST CAUSE

Capitalism inarguably produced great wealth, even as it often engendered extraordinary violence. Between the Napoleonic Wars and Trump's trade wars, global GDP per capita rose by a factor of ten. Life expectancy tripled. And yet violence was capitalism's through line. "The capitalist revolution entailed an astounding amount of coercion and violence," Beckert writes. "Vast expropriations, huge mobilizations of coerced labor, brutality in factories and on plantations, fierce destruction of noncapitalist economies, and massive extractions of resources for private gain."

Beckert understands capitalism as restless and ever-expanding in the way it continuously severs people from control over the means and ends of production, to borrow from Marxist language. Capitalist pressures pushed peasants off the land and led to the enslavement of millions. During the Industrial Revolution, the slave population that produced coffee, cotton, sugar, and other commodities in Brazil, Cuba, and the United States swelled from one million in 1770 to six million by 1860, a number far larger than the proletariat working in Europe's factories at that time. "The golden age of industrial revolution," Beckert notes, "was thus also a golden age of slavery."

The same period saw the rise of a defining modern doctrine. Liberalism, as it emerged roughly in the nineteenth century, is enmeshed in capitalism's duality of endemic violence and undeniable prosperity. By the nineteenth century, as Western powers imposed capitalism around the world, they devised mechanisms to justify coercion as liberation. In China, India, and parts of Africa, European powers advanced formal and informal campaigns to push societies to embrace unregulated market forces. Mostly, this was a cover for some horrific behavior, such as carving up Africa among themselves and forcing unfair treaties on China. Liberal theorists defended this conduct by "naturalizing" capitalism, by which Beckert means that they insisted that capitalism was a system ruled by disinterested principles and invisible hands even as it was assiduously managed by a professionalized clerical class.

By the twentieth century, it was received wisdom in many quarters that liberalism and capitalism were inseparable. Buoyed by the spread of mass consumption and deepening markets for commodities, such as automobiles and consumer durables, Cold War liberals championed a Western synthesis of freedom to shop and freedom to vote in the ideological contest with communism and Third World radicals. The fall of the Berlin Wall and the embrace of market liberalization in many countries in what is now often called the global South convinced many liberals that they were triumphant.

But the afterglow of the end of the Cold War soon faded. A series of shocks, starting with the 2008 global financial crisis and the uproar caused by the bailout of major banks while millions lost jobs and homes, discredited liberalism. Waves of migration out of Africa and the Middle East into Europe, and from Latin America into North America, not only strained immigration systems but also brought liberal values of multiculturalism and cosmopolitanism into question. The rise of China—at the cost of industrial workers in advanced economies—has made globalization a dirty word. And populist nationalist governments around the world have been steadily eroding past democratic gains. Formerly the victorious ideology of the twentieth century, liberalism now appears to be losing.

In recent years, many left-wing and right-wing critics have converged: liberalism, they suggest, is a lost cause. Beckert insists that capitalism seeks to commodify ever more of the world and of human experience, a defining feature of the system that ensures that the arc of capitalist history has always bent toward the degradation of dignity and the shrinking of freedom. No matter the many ways people have resisted the spread of capitalist power, their victories were always fleeting, their stories repeatedly ending in defeat, resignation, and submission. Although peasants defied enclosure, slaves in the Caribbean burned sugar plantations, and British miners fought police constables, the logic of profit always triumphed in the end. Even decolonization, arguably the most important phenomenon of the twentieth century, invites Beckert's suspicion. "Postcolonial societies, without exception, continued to push core features of the colonial project," he writes. From the harvesting of sugar to the harvesting of data, Beckert's story leaves little room for alternative courses other than the relentless commodification of the world and its people in the service of generating profits for a few.

USABLE PAST

In this narrative, liberalism created a pressure release valve for an exploitative system. It offered the illusion of inclusion while capitalism concentrated power and wealth among a rarefied elite. It's hard to dispute the record. Many capitalists have had skittish commitments to liberal values. German big businesses did not lament the destruction of the Weimar Republic by the Nazis. Argentine magnates were happy to accommodate the generals during their country's dictatorship of the 1970s.

Beckert's view collides with the conventional narrative, familiar especially in Western countries, of capitalism's fundamental bond with liberty. That notion holds that liberalism transformed capitalism. The belief in the rights of the individual, personal autonomy, and the right to property freed people from previously oppressive governments and entitled elites. This creed constrained the actions of the state. In doing so, liberalism, however gradually and unevenly, tamed capitalism. The most famous defender of this optimistic position was the economist Milton Friedman, who argued that freedom and prosperity were inextricably linked; personal choice was the condition for capitalist flourishing, and capitalist flourishing in turn made people free. Friedman and his acolytes insisted that institutions and policies that curbed individual choice would choke the spirit of capitalism. (Of course, Friedman infamously ignored the notably illiberal atrocities, such as those committed in Chile after 1973, carried out in the name of freeing the market.) The eventual collapse of the Soviet Union seemed to confirm Friedman's view. Many liberals gloated that capitalism was the only game in town, the only form of economic organization capable of upholding personal liberty.

One need not subscribe to this Panglossian view to acknowledge that capitalism and liberalism are entangled. Capitalism has evolved in nimble ways, especially in liberal societies that created opportunities for the less fortunate to demand greater shares of the pie and for citizens to make claims for greater political power. Political liberalism helped make capitalist systems flexible by opening spaces for debate and contestation. It was in liberal regimes in Canada and Europe, for instance, that organized labor exercised the most influence and that capitalist societies recovered fastest from war. In the three decades after 1945, Western Europe saw a remarkably rapid recovery from the devastation of World War II and the generation of strongly inclusive growth. Peasant societies that pursued deep agrarian reforms had high growth rates: in Japan and South Korea, breaking up estates through processes of land reform was a boon to postwar growth. By contrast, in Latin America in the 1970s, it was autocratic regimes' reversals of agrarian reforms from the 1950s and 1960s that slowed growth and led to austerity.

It was also under postwar liberal regimes in Europe that empires began to be taken apart and decolonization gathered steam. Dismantling empires and spreading self-determination in turn produced the conditions that remade the international division of labor after 1945. The transformation of daily life and the rise of shopping malls and consumer lifestyles in booming cities such as Bangkok and Nairobi defy the caricature of capitalism as the cause of unremitting failure and misery—even if millions of Thais and Kenyans still struggle to make ends meet. In 1990, over two billion people lived in extreme poverty. By 2025, that number had dipped to around 800 million. The reduction of extreme poverty took place in postcolonial societies, especially in Asia, where, between 1970 and 2016, the share of global manufacturing output rose from roughly four percent to 40 percent. The distribution of wealth away from the North Atlantic as more societies were folded into the world market can only be construed as a "failure" if breaking the old colonial headlock is seen as a tragedy. Liberal capitalism's adaptive power rewired the world economy to make this change possible.

The tensions inherent in capitalism gave it energy, yielded many variations, and brought the world into interdependence. The last two centuries attest to capitalism's ability to mix consensus with conflict to renovate itself. Neither Beckert's dismal view nor Friedman's rosy one does justice to the complexity of this record. They miss what is truly distinctive about capitalism, especially in its ostensibly liberal periods. If Carney is right and the current moment represents a rupture with the past, it is nonetheless in that past, in that contradictory tangle of liberalism and capitalism, freedom and hierarchy, that societies can find sources for their renewal. 🌐

REVIEW ESSAY

Are America and China Condemned to Repeat History?

The Warnings of Great-Power Wars Past

ELIZABETH D. SAMET

The Coming Storm: Power, Conflict, and Warnings From History.
BY ODD ARNE WESTAD. Henry Holt, 2026, 226 pp.

History, in the hands of a policymaker, can be a dangerous thing. When officials recruit the wrong historical analogy—or misinterpret an apt one—in the decision-making process, the consequences can be catastrophic. During the Vietnam War, to take one notable example, some American leaders perceived in North Vietnam's Ho Chi Minh another Adolf Hitler. The comparison helped fuel the United States' misadventures in Southeast Asia by making any accommodation in Vietnam tantamount to the notorious appeasement of the 1938 Munich Agreement. This case became a central example in Ernest May's 1973 cautionary tale, *"Lessons" of the Past*. May advocated for more nuanced approaches to historical precedents and argued that analogies might be used responsibly and effectively "to point out criteria for a choice rather than to indicate what the choice ought to be."

Thirteen years later, in 1986, May teamed up with Richard Neustadt to publish *Thinking in Time*, a how-to for decision-makers. Instead of searching for perfect analogies, May and Neustadt proposed, policymakers might find more success by looking for not only the similarities but also the crucial differences between the present and potential historical parallels. Building on this work, in 2016, the scholars Graham Allison and Niall Ferguson launched the Applied History Project at Harvard's

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Belfer Center. "Applied history," they explain, "is the explicit attempt to illuminate current challenges and choices by analyzing historical precedents and analogs."

Analogy is likewise the motor of Odd Arne Westad's *The Coming Storm: Power, Conflict, and Warnings From History*. "This world is unlike anything any of us have experienced in our lifetimes," argues Westad, a professor at Yale and a specialist in modern international and global history. "But it does look quite a bit like the world of more than a hundred years ago, from the late nineteenth century to 1914." This comparison—between the great-power competition that ultimately erupted in World War I and the increasingly multipolar twenty-first century, characterized by contests for regional dominance among a growing number of great (if no longer decisively super) powers—frames the book.

"China, Russia, and India," Westad notes, "are not the only Great Powers that are gradually undoing the era of American global hegemony." Brazil and Turkey (the latter not a great but an expanding power, according to Westad) are exerting stronger regional influence, while two "economic great powers," Japan and the European Union, have been "increasingly supplementing their productive powers with hard power." The book's aim is to warn of the real and looming threat of great-power war. Westad writes that such a war would be nothing short of a "global catastrophe" and proposes that political leaders' best chance of averting it lies in a sophisticated, historically informed mode of strategic thinking.

Westad makes readers feel the urgency of his task. Large numbers of people living "within the Great Powers believe that those who live in other Great Powers, or at least their leaders, are out to get them" and therefore think that the next war is only a matter of time. He reports high levels of "mutual suspicion," especially between American and Chinese publics but also between those of other countries. "Two thirds of Russians believe that the war in Ukraine is a life-or-death 'civilizational struggle' with the West," Westad notes, "and about the same percentage of Indians have an unfavorable or very unfavorable view of China. In Europe, a staggering three quarters of Germans and French view China unfavorably."

Compounding today's multipolar mistrust, Westad argues, is a widespread ignorance of the true "intensity and scale" of great-power wars and the wholesale devastation they leave behind: "Less than half of one percent of the world's population," Westad notes, "has experienced Great Power war." Post–World War II generations have grown accustomed to limited (often proxy) wars, such as the Vietnam War or the Syrian civil war. Victims of these wars understand the work of violence, but publics viewing these conflicts from afar have lost the ability to imagine war as global apocalypse. Except perhaps in the movies, war in the twenty-first century has lost its epic scale. Westad brings war's boundless horrors back into view on the book's very first page with a vision of the Battle of the Somme, which alone produced over a million of World War I's nearly 40 million casualties.

BEWARE THE ONE-EYED GENERAL

As the ancient Greeks recognized, human beings appear to be hardwired to identify and solve problems through analogy. Aristotle discusses the role of "arguments from likeness" in formulating definitions, as well as in inductive and hypothetical reasoning. Thucydides, whose *History of the Peloponnesian War* is one of the most popular sources for analogy hunters today, proposed that his own unembellished version of events might prove a useful tool for "people who want a clear view of what happened in the past—and, human nature being what it is, of what is going to happen again in the future in an approximate or closely similar way." In fact, it is not unusual for the main actors in his history—the Athenians during the disastrous Sicilian expedition, say—to miss likeness where it existed and to imagine difference where it wasn't.

There is a further danger inherent in the love of analogy: seduced by marvelous correspondences, one might sand away incongruities. No writer of antiquity was more alert to the eager analogist's misreadings than Plutarch (ca. 45–ca. 120), whose paired biographies of famous Greeks and Romans at once embodied and slyly cast doubt on the entire project of historical comparison. At the beginning of his biography of the Roman general, statesman, and champion swimmer Sertorius (126–72 BC), for instance, Plutarch offers what amounts to a masterclass on the perils of analogy. "It is no great wonder," he observes, that the same, or similar, combinations of events should repeat over time. Many gullible students of history "take a pleasure in making collections of all such fortuitous occurrences that they have heard or read of, as look like works of a rational power and design." Plutarch goes on to enumerate a series of patently nonsensical coincidences that people have wrongly invested with significance. His list culminates in four brilliant military commanders, Sertorius among them, who all happened to lose an eye.

Nothing attracts analogies like the vertigo of dangerous times. When things are going well, societies, imagining that they have outstripped the past, reject comparisons in favor of superlatives. But analogies return with a vengeance in eras of uncertainty and upheaval, when they can be used to explain, incite, excuse, admonish, or shame. Arguably, the most valuable aspect of analogies is their ability to take the individual out of the current moment, spur reflection, and defuse panic by means of perspective.

Westad hopes that analogies, slippery as they are, might alleviate the paralyzing fear that war—especially one between China and the United States—is unavoidable. Throughout the book, Westad alternates between then and now, helping readers compare the rise of great powers past and present, the fears and resentments that fuel their competition, and the crises that ignite war. He likens the United Kingdom's early-twentieth-century decline to that of the United States today, for example, and compares China's rise to that of Germany in the run-up to World War I. Of the several flash points for potential great-power conflict that Westad enumerates, Taiwan receives the most detailed attention. The contest over the island, he suggests, resembles the flash points of 1914: "Alsace, Bosnia, and Belgium rolled into one." Westad's other regions of concern are the Korean Peninsula, the South China Sea, the Himalayas, Ukraine, and the Middle East—the last becoming ever more volatile in the wake of the U.S.-Israeli war on Iran and the Islamic Republic's retaliation.

Other scholars have proposed different future scenarios. The legal historian Samuel Moyn, for one, has persuasively argued that the very technological developments and legal obligations that have combined "to make war more humane" have also made possible the waging of "deterritorialized and endless war." In contrast to Moyn's "humane" dystopia, Westad warns of a radically different nightmare in which the great-power competition of a century ago still lurks within today's geopolitics and threatens—a Freudian return of the repressed on a civilizational scale—to break out into what now seems like old-fashioned war.

THE PARADOX OF PREPARATION

Because Westad tries to be scrupulous, his analogical approach has one unfortunate stylistic side effect. The book is peppered with phrases denoting varying degrees of similitude: unlike, a bit like, increasingly like, more like, much like, just like. But this liability is outweighed by the ultimate force of the parallel and by Westad's remarkable range. The book's intercutting between periods and regions also has the admirable

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EOIN RYAN

effect of slowing things down. In the mode of the ancient historian Polybius, Westad offers a kind of universal history that works to disentangle causes, pretexts, and beginnings.

For example, he carefully examines the timeline that begins with the assassination of the Austrian Archduke Franz Ferdinand, on June 28, 1914, and ends with the declaration of war a month later in order to see afresh the many miscommunications, blind spots, and wrong turns that transformed a political crisis into a global cataclysm. Westad makes a chilling observation about the beginning of this war that destabilized the world: "It was clear that the Austrian leaders wanted war against the Serbs, though it was less clear what they wanted war for." This aimless belligerence has textured much of the intervening century, stretches of which might be fairly described as a tragedy of nations haplessly blundering into wars large and small before considering their ends.

Westad paints a picture of multipolar world orders—then and now—characterized by rising chauvinism and nationalism, rife with animosity, and marked by technological innovation and socioeconomic instability. War was not inevitable in 1914, and it is not inevitable now. But Westad argues that many of the variables and conditions that led to World War I are once again in play: trade imbalances, territorial disputes, irrational leaders "with big egos and mercurial personalities," domestic upheavals, inflexible ideologies, and technological disruption. Of particular note is information overload: then by mountains of crisscrossing telegrams, and now by rapid communication, real-time intelligence, and a relentless news cycle.

The real force of the overarching analogy lies in the paradox that, in the run-up to World War I, fear of war led countries to prepare for it "in ways that almost guaranteed" that war would break out. Military strategists and diplomats seemed to be working at cross-purposes. There was, Westad notes, a fundamental contradiction between "offensive military plans to use in case of an immediate risk of war" and "diplomatic aims of deterrence and assurance that each Great Power had developed." Ambiguous alliances, coupled with advances in technology, such as the railroad and faster, more powerful battleships, that had shortened the timeline for operationalizing military strategy, proved a catastrophic combination.

Fear prompted an arms race (especially between Germany and the United Kingdom), while military planning was predicated on illusions of swift victory and of "one power being able to obtain decisive military advantages over others in peacetime." Diplomats, meanwhile, ultimately failed to ease tensions because they could not disentangle the concatenated issues that intensified suspicion and resentment. Westad alerts readers to a similar dynamic today: "In Beijing and Washington, everything that one of the countries does is treated as proof of its aggressive intentions against the other, from strategic posture, to naval policies, to alliances and friendships, to trade policy and technology."

Westad contends that great powers projecting strength while also fearing they are on the brink of decline because of economic stagnation or domestic political turbulence are tempted to strike at the perceived "maximum moment" of their influence and power. In the future, these temptations will be intensified by the speed of artificial-intelligence-driven analysis and targeting, autonomous or semiautonomous weaponry, and other technological changes. "Coming at a time when Great Power tensions are increasing," Westad observes, such changes "will put tremendous pressure on political decision-making and military command and control systems." Once these factors have created a "sense of inevitability," it will be too late.

A DANGEROUS FANTASY

In his final chapter, Westad makes the vital "case for peace." He emphasizes several necessary brakes, including organs of international cooperation, responsive diplomatic apparatuses, and defensive alliances. NATO during the Cold War is his prime example of a mechanism of "believable deterrence." He recommends careful monitoring of emerging technologies that may alter the course of social change and the evolution of warfare. And he notes the importance of leaders adept at gaining time and avoiding "uncontrollable escalation," who can also get each other on the phone, as they once did using hotlines during the Cold War. There is also a less tangible dimension to Westad's prescription for peace: debunking the persistent faith in war as "catharsis" and the recognition among nations that peace cannot be synonymous with the preservation of the status quo. "A multipolar world is not something that individual Great Powers can choose or prevent," he writes.

Westad also makes a claim about complacency that is difficult to reconcile with his earlier observations on the widespread belief in the likelihood of great-power conflict. As in the era before 1914, he writes, "there is today a deeply held sense that Great Power war is, if not impossible, then highly unlikely." The first claim—that the world appears almost resigned to war at this point—is more persuasive than the second. But it does seem to be the case that today's growing acquiescence to the inevitability of war is coupled with an almost complete refusal to reckon with the scale of destruction that a great-power war would visit.

The once ubiquitous existential terror of nuclear weapons that characterized the Cold War, for instance, seems to have dissipated even as the New START arms control treaty between Russia and the United States has expired and China's stockpile steadily grows. Since 2004, when the existence of weapons of mass destruction in Iraq proved to be a mirage, the threat of such arms has largely disappeared from popular consciousness. Meanwhile, a combination of technological developments, including "smart" weaponry, artificial intelligence, cyberwarfare, and drones—to say nothing of prediction markets—are teaching people to think of war as a matter of precision, control, and localization. There is "almost no evidence," Westad insists, that the exponentially increased "destructive potential available to world leaders in the twenty-first century," including nuclear weapons, "will make war impossible."

The notion that war's force can be completely controlled or managed is a persistent and dangerous fantasy, as any reader of *War and Peace* knows. There, Leo Tolstoy proposes that even Napoleon himself, far from directing all the movements of his war against Russia, was really like "a child who, holding a couple of strings inside a carriage, thinks he is driving it." It is also the lesson that the French philosopher Simone Weil, writing in the midst of World War II, drew from Homer's *Iliad*, literature's original account of great-power warfare. Weil argued that force, not the warrior, was the poem's true hero: "Force employed by man, force that enslaves man, force before which man's flesh shrinks away." In the *Iliad*, Weil continues, "at all times, the human spirit is shown as modified by its relations with force, as swept away, blinded, by the very force it imagined it could handle, as deformed by the weight of the force it submits to."

The *Iliad* presents readers with a searing vision of great-power cataclysm's termination: the very earth would split open to vomit forth "the dank, moldering horrors" of the Underworld. *The Coming Storm* reminds readers of the enormity of unleashed force. Its assessment of the many ways in which the great powers of a hundred years ago went so wrong offers an antidote to the entrenchment and paralysis of imagination that pave the way for the next conflagration. "Though analogy is often misleading," wrote the iconoclastic nineteenth-century English novelist Samuel Butler, "it is the least misleading thing we have." Inviting readers to draw the hypothetical analogy between the millions who died in the "war to end all wars" and the millions more who would die in the next great-power war, Westad performs an urgent and inestimable service. ●

Recent Books

Political and Legal

G. JOHN IKENBERRY

The Backsliders: Why Leaders Undermine Their Own Democracies
BY SUSAN C. STOKES. Princeton University Press, 2025, 264 pp.

This is one of the best accounts yet of the slow breakdown of democratic rule in countries around the world. Over the last two decades, at least two dozen democracies—including Brazil, India, and the United States—have seen their freely elected presidents and prime ministers systematically undermine their own democratic systems. Stokes argues that these would-be authoritarians tend to rely on the same playbook, attacking or subverting the press, courts, oversight bodies, the civil service, parliament, and independent civic organizations. Democratic backsliding occurs as leaders, pursuing greater executive power, chip away at these core institutions of public accountability, sow mistrust among the public, and seek to cast doubt on the legitimacy of opposition parties. The constitutional foundations of democracy—the rule of law, checks and balances, and free and fair elections—weaken or crumble. Stokes argues that democratic backsliding is not irreversible. Legislators, judges, whistleblowers, military leaders, broadcasters, and activists can all play a part in upholding democracy, but voters and elections are the ultimate bulwark against antidemocratic threats.

Fascism and the Global Far Right: A Historical View
BY MAXIMILIANO FUENTES CODERA AND JAVIER RODRIGO. Reaktion Books, 2026, 208 pp.

The rise of radical right-wing populist movements around the world in recent years has led some observers to fear the return of 1930s-style European fascism. In this carefully argued book, Fuentes Codera and Rodrigo, Spanish historians of fascism, look back at the political upheavals of interwar Europe to identify similarities and differences in old and new forms of right-wing extremism. The book argues that European fascism was a distinct twentieth-century phenomenon, emerging from a confluence of factors: the humiliation of Germany that came with the Versailles peace settlement at the end of World War I, the economic collapse of the Great Depression, and the cultural backlash against liberal industrial modernity. In the hands of Hitler and Nazi Germany, fascism became a totalizing counterrevolutionary project, organized around single-party dictatorship, ultranationalism, racism and xenophobia, and a cult of violence. Fuentes Codera and Rodrigo see glimmerings of the fascist vision among some contemporary right-wing extremists, particularly in their reactionary nationalism and fear of foreigners. But they are ultimately skeptical that Western societies will really encourage the full-blown reemergence of fascism. Today, the adjective "fascist" might often apply in describing certain tools and techniques of politics, whereas the noun "fascism"—denoting consolidated single-party dictatorship—is more often than not inapt.

Equality: What It Means and Why It Matters
BY THOMAS PIKETTY AND MICHAEL J. SANDEL. Polity, 2025, 128 pp.

In this short, lively book, Piketty, an economist, and Sandel, a political theorist, engage in an extended dialogue on the problem of inequality. Piketty, striking an optimistic note, argues that despite the great disparities in wealth and opportunity today, inequality was much worse in prior centuries. Both agree that gaps are widening within developed societies. For Sandel, the harms caused by today's growing wealth and income inequality are a clear and present danger to democratic life, with the wealthy having far greater access to education and health care, political representation, and fundamental human dignity than the poor. Piketty and Sandel argue that liberal states need to both redistribute wealth and build social democratic systems that guarantee access to basic goods and life opportunities. The measures they suggest include greater progressive taxation, inheritance duties, and expanded social welfare programs. Piketty goes further, advocating for an internationalist federation that redistributes wealth across borders. Sandel worries more about the weakness of social democratic parties that seek greater social and economic equality but have still lost ground to right-wing parties that have managed to convince voters that they are better defenders of human dignity and national strength.

Liberalism in Time: A History
BY DAVID WILLIAMS. McGill-Queen's University Press, 2025, 198 pp.

Liberalism has long been a political tradition defined by a commitment to a set of core values: individual rights, political equality, consent of the governed, private property, and the rule of law. But despite these shared convictions, liberal thinkers have varied widely across the centuries in their assumptions and expectations about how liberal political systems should work. As Williams, an international relations theorist, shows in this fascinating intellectual history, liberal ideas in each era have reflected understandings of history, society, and progress unique to their time. John Locke and his seventeenth-century contemporaries, for instance, framed their ideas about the origins of government within a Biblical understanding of the past, present, and future. Discoveries in geography, archeology, and biology upended these old conceptions. Late-eighteenth-century thinkers, such as Adam Smith and Immanuel Kant, understood the rise of republican and liberal capitalist polities as evidence of the ineluctable progress of history. In the late nineteenth century, Darwinian understandings of human society inspired both the extreme individualism of Herbert Spencer and the liberal collectivism of L. T. Hobhouse. With an eye on today's "crisis of liberalism," Williams makes an optimistic case: liberalism has survived over the centuries by shifting and navigating both historical tailwinds and headwinds.

Why Nations Still Fight
BY RICHARD NED LEBOW.
Cambridge University Press, 2026, 476 pp.

In this capstone book, Lebow, a political scientist, builds on his earlier work, compiling data on all wars and interventions since 1945. He finds that war is not an effective means of advancing security, maximizing wealth, or gaining status. States that have started wars in the last 80 years tend to either lose them or fail to achieve their political goals. The puzzle for Lebow is why leaders still choose to resort to military force. In case after case, the book finds that leaders consistently fail to assess the costs and benefits of war, believing naively that they will succeed even when so many others have not. Considering cases such as the United States' involvement in Vietnam, Argentina's invasion of the Falkland Islands, and Iraq's occupation of Kuwait, Lebow points to the political culture and psychological factors surrounding decision-making that generate miscalculation. Leaders often have sufficient information, but they tend to see what they want to see. Some leaders, Lebow notes, are more ambitious and aggressive than others, such as Russian President Vladimir Putin. The abiding desire among great powers for loftier status will still lead countries into war.

Economic, Social, and Environmental

BARRY EICHENGREEN

Shared Prosperity in a Fractured World: A New Economics for the Middle Class, the Global Poor, and Our Climate
BY DANI RODRIK. Princeton University Press, 2025, 280 pp.

Rodrik, a political economist, sets out an agenda for addressing what may be the three most fundamental public policy challenges today: curbing climate change, saving democracy, and alleviating poverty. He recommends focusing on local initiatives and policy experimentation. Lofty global agreements on climate change may be too geopolitically fraught to work, but regional, national, and local measures that better respond to commercial motives and popular pressure could reduce carbon emissions. The best defense of democracy, he argues, is to strengthen its core constituency—the middle class—by providing stable and well-paid jobs, which means shaping technologies such as artificial intelligence to make workers more productive. Developing countries must also recognize that manufacturing is no longer a sure-fire route to economic growth because automation is poised to replace low-wage workers and because of the damaging carbon intensity of industrial production. Governments should help shift workers from agriculture to services, the sector in which most future jobs will be created, by taking steps, such as offering training, to boost the productivity and incomes of service-sector workers. Rodrik argues that these measures, taken together, can constitute a "new progressive agenda."

New World New Rules: Global Cooperation in a World of Geopolitical Rivalries

BY GEORGE PAPACONSTANTINOU AND JEAN PISANI-FERRY. Agenda, 2024, 192 pp.

A former Greek finance minister and a prominent academic join forces to analyze the crisis of confidence in multilateral economic institutions. These institutions, which include the International Monetary Fund, the World Bank, and the World Trade Organization, have not adapted to a more diverse and fragmented global economy. They have failed to adequately focus on issues such as climate change, public health, and digital innovation. Yet preserving and updating these institutions is more urgent than ever because the world remains interdependent. The authors identify areas such as bank regulation and tax competition in which international cooperation has been relatively successful. They show that cooperation works when there is agreement on the existence of a problem, expertise is shared, guiding principles are clear, outcomes are transparent, there is a process for evaluating results, and trustworthy multilateral institutions provide adequate support. Some of these elements may be reproducible in other policy domains, such as global health. When they are not, coalitions of willing countries will have to move ahead on their own to preserve the global commons.

Before the Fed: J. P. Morgan, America's Lender of Last Resort

BY JON MOEN AND MARY TONE RODGERS. Cambridge University Press, 2025, 292 pp.

Critics of how central banks manage financial crises would do well to consider how countries addressed such crises before the creation of official monetary institutions. In many cases, they relied on the intervention of prominent and powerful private bankers such as Nathan Rothschild in the United Kingdom and J. P. Morgan in the United States. Moen and Rodgers recount how Morgan helped resolve the recurring crises besetting the U.S. financial system before the Federal Reserve System was founded, in 1913. Morgan used both threats and rewards to mobilize other bankers to provide the emergency liquidity needed to stabilize markets. The authors contrast Morgan's actions with the responses of Wall Street executives in the 2008 financial crisis, who pointed fingers at one another and avoided taking personal responsibility. Morgan's legacy is not limited to the crisis-mitigation tools he helped develop, which the Federal Reserve subsequently adopted. He also mentored colleagues who shaped the U.S. financial system, including Benjamin Strong, the influential first governor of the Federal Reserve Bank of New York.

The Means of Prediction: How AI Really Works (and Who Benefits)

BY MAXIMILIAN KASY. University of Chicago Press, 2025, 224 pp.

Kasy, an economist with a background in mathematics and statistics, makes the case that government regulation is needed to guide the development of artificial intelligence. The engineers, entrepreneurs, and corporations building AI models determine how their products behave and what objectives their models are designed to achieve, whether that is maximizing clicks on an advertising website or disseminating a controlling shareholder's political views. Developers have this power because they control the four inputs required for AI models: data, technical expertise, computer hardware, and energy. But the private objectives of corporate developers are not aligned with the preferences and needs of society. It is futile, Kasy argues, to rely on consumers, corporations, tech workers, the media, and public opinion to apply enough pressure to align private and public goals. The only route to shaping these models in socially desirable directions is political intervention rooted in democratic decision-making. As his argument unfurls, Kasy provides a clear and concise explanation of how AI works and what it can and cannot do.

Why Immigration Policy Is Hard: And How to Make It Better

BY ALAN MANNING. Polity Press, 2026, 416 pp.

Manning offers the kind of sober, balanced analysis of immigration policy that is too often missing from emotionally charged discussions of the topic. An academic and former chair of the United Kingdom's Migration Advisory Committee (an independent public body that provides recommendations to the British government), he emphasizes that immigration policy unavoidably entails compromises and tradeoffs. He contrasts what he calls the Dubai model—admitting large numbers of unskilled immigrants while granting them limited labor rights and no path to citizenship—with the European model, which strictly limits the number of immigrants but offers them a clear path to citizenship and full access to welfare-state benefits. He places the United States midway on this continuum but warns that such a mix of the two models is unlikely to succeed politically or economically. Manning also criticizes so-called investor visas, such as the Trump administration's "gold card," which offers an expedited path to U.S.

permanent residency in exchange for a $1 million investment in the United States, because it is difficult to identify potentially successful investors and entrepreneurs. He concludes that "having lots of very wealthy migrants in your country, spending money but doing little work, is not as beneficial as many people seem to think."

Military, Scientific, and Technological

LAWRENCE D. FREEDMAN

The Most Awful Responsibility: Truman and the Secret Struggle for Control of the Atomic Age
BY ALEX WELLERSTEIN. Harper, 2025, 432 pp.

Nuclear Weapons: An International History
BY DAVID HOLLOWAY. Yale University Press, 2026, 720 pp.

Atomic Backfires: When Nuclear Policies Fail
EDITED BY STEPHEN HERZOG, GILES DAVID ARCENEAUX, AND ARIEL F. W. PETROVICS. MIT Press, 2025, 480 pp.

Apart from at the end of World War II, nuclear weapons have never been used in conflict. In his meticulous and enthralling account, Wellerstein argues that a lot of credit for this history of nonuse should go to U.S. President Harry Truman, who learned about Washington's atomic bomb project only after becoming president. Even then, he was just occasionally engaged with the endeavor as plans for the bombs' use were being developed. He was appalled by the human consequences of bombing Hiroshima and Nagasaki and was thus reluctant to use nuclear weapons again, even when the Korean War was at a critical juncture. Truman still presided over the expansion and further development of the U.S. arsenal as the Cold War took root. The president's concerns helped establish the nuclear taboo, or the norm against nuclear use, Wellerstein writes. And Truman's decision to keep these weapons under civilian control and explore a disarmament deal with the Soviets set other precedents that made nuclear war less probable.

In a magisterial history that takes this story up to the end of the Cold War, Holloway discusses how the nuclear powers interacted with each other, managed their relationships through policies of arms control as well as deterrence, constructed alliances as they developed war plans, and gathered intelligence on what their adversaries were up to. As a result, they made it through the buildup of arsenals during the 1950s and crises involving Berlin and Cuba during the 1960s. In the 1970s and 1980s, they forged successful arms control agreements. Although the ground Holloway covers is familiar, his research is thorough and benefits from his special expertise on the Soviet nuclear program. His analysis is always lucid.

The lively collection of essays edited by Herzog, Arceneaux, and Petrovics also focuses on policies that help prevent nuclear war. But the articles largely emphasize the surprising downsides of the various resulting decisions. One essay, for example, argues that North Korea's successful pursuit of nuclear weapons was reinforced by the United States' efforts at regime change. Another shows how attempts to control exports to potential proliferators led certain states, such as Pakistan, to develop their own nuclear supply chains. The essays illustrate how projections of strength designed to deter nuclear adversaries have sometimes made crisis management harder. And they demonstrate how Japan, South Korea, and NATO's dependence on the U.S. nuclear umbrella has had perverse effects, such as limiting the development of conventional capabilities. Notably, this challenging collection showcases work by the coming generation of scholars in the field of nuclear strategy and arms control.

The State and the Soldier: A History of Civil-Military Relations in the United States

BY KORI SCHAKE. Polity, 2025, 272 pp.

Schake uses her substantial experience working at the intersection of Washington's civilian and military worlds to write an incisive and timely account of the relationship between them. Schake doesn't believe in a strict separation between civilian and military affairs, and her title is a dig at Samuel Huntington's *The Soldier and the State*, which insisted on the importance of having a clear barrier between the civilian and military realms. She does believe that the military must be kept under civilian control and remain loyal to the U.S. Constitution. Schake writes that George Washington, a military commander, understood the importance of civilian preeminence, and she finds that although American officers have occasionally challenged the authority of politicians, at critical moments they have been obedient. She ends with a warning tailored for the Trump years. Although the current administration may want to turn the military into its personal, partisan tool, it is best that generals keep a low profile when it comes to domestic politics. Schake is emphatic that controlling the executive is Congress's job—not the military's.

The Rise and Fall of the British Army, 1975–2025

BY BEN BARRY. Osprey, 2025, 496 pp.

Over the past half century, the British army has been extraordinarily busy. During the Cold War, it was deployed in West Germany, Northern Ireland, and, in response to an Argentine invasion in 1982, the Falkland Islands. After the Cold War, it helped oust Iraq from Kuwait; intervened in Bosnia, Kosovo, and Sierra Leone; and took part in the long and ultimately unsatisfactory wars in Afghanistan and Iraq. But rather than growing stronger from these operations, it grew exhausted. Cuts in funding and troubles with recruitment led to shrinkage in its ranks. Today, the British army is half the size it was in 1975, and it struggles to meet the demands of a tougher security environment. Barry, who served in senior positions in the army until 2010, tells this history with candor. His book is authoritative, detailed, and readable.

He argues that the army's decline is partly the fault of successive neglectful governments and ineffective leadership at the Ministry of Defense. But he also blames poor decisions made by senior generals, including with regard to the procurement of new equipment.

East Asia

ELIZABETH ECONOMY

Backlash: China's Struggle for Influence in Central Asia
BY BRADLEY JARDINE AND EDWARD LEMON. Oxford University Press, 2025, 320 pp.

Jardine and Lemon's nuanced analysis of China's role in Central Asia contributes to a burgeoning body of scholarship on Beijing's expanding global influence. The authors detail how China invests in critical infrastructure in the region, exercises soft power by supporting local think tanks and offering scholarships for study in China, and has built a security presence by selling arms, training police, and setting up border checkpoints and a military base. Although many in the region welcome this engagement, Beijing's growing presence has also generated popular backlash. Jardine and Lemon document dozens of demonstrations against environmental damage, corruption, and unfair labor practices associated with Chinese-funded projects, as well as local concerns over potentially costly deals to swap debt for natural resources or sell land to Chinese companies. Scholars will value the authors' careful disaggregation of Central Asian grievances against China, which include complaints arising from real problems, such as destructive mining practices, and those reflecting local conspiracy theories, such as the idea that Beijing is deliberately sending Chinese men to marry local women. Policymakers in the United States and Europe should note that China's influence in the region's emerging and middle-income economies is sometimes unwelcome and that Central Asian countries may well be receptive to credible development alternatives.

Asia's Aging Security: How Demographic Change Affects America's Allies and Adversaries
BY ANDREW L. OROS. Columbia University Press, 2025, 320 pp.

Oros challenges the widely held theory of "geriatric peace," which claims that societies are less likely to go to war as their populations get older. East Asia, he argues, faces an "aging security dilemma": as states grow concerned that rapid aging could weaken their ability to fight, they develop and deploy new weapons and methods of warfare that could contribute to greater conflict. Japan, for instance, has compensated for a shrinking pool of military-age recruits by prioritizing advanced weapons platforms, automation, and military interoperability with the United States. This enables Japan to sustain credible military deterrence despite severe demographic decline. But as states improve their warfighting capabilities, neighbors grow concerned; combined with shifting alliances and the emergence of new security challenges such as cyberattacks, this creates a dangerous cocktail of tensions. Oros explores this phenomenon across Asian countries by integrating demographic projections with an analysis of each state's military doctrine, procurement choices, alliance relationships, and location and geography. He shows how societies aging at similar rates adapt in different ways to sustain, and in some cases intensify, the assertiveness of their security posture.

The Wall Dancers: Searching
for Freedom and Connection
on the Chinese Internet
BY YI-LING LIU. Knopf, 2026, 336 pp.

Liu, a journalist, provides a fascinating window into how Chinese citizens "dance" along the edges of Internet censorship to express themselves and challenge government rules and social conventions. She recounts the stories of people as varied as a hip-hop artist, a science-fiction writer, an Internet censor, a feminist, and a gay rights activist. One young man, Ma Baoli, is forced to resign from a police job he loves when he reveals his homosexuality, but he goes on to establish the country's most popular gay social networking app, Blued, which eventually lists on Nasdaq. Liu weaves such personal stories into the larger history of the Chinese Internet, which has seen numerous twists and turns. These include moments when citizens mobilized online to call for greater openness, such as during the waning days of China's COVID-19 pandemic controls in 2022; the rise of online

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HOW STRONG ARE

nationalists and socially conservative voices; and increasingly repressive government directives to wipe away the history of the Internet, often by deleting websites. Liu's book is an important reminder that the Internet in China remains a platform for personal expression and collective action even as it is a tool of state repression.

Korean Messiah: Kim Il Sung and the Christian Roots of North Korea's Personality Cult
BY JONATHAN CHENG. Knopf, 2026, 768 pp.

Cheng's tome is an extraordinary work of research that weaves together three narratives: the history of Christianity in North Korea; the founding of the Democratic People's Republic of Korea in 1948; and the enduring influence of Christianity on Kim Il Sung, the regime's founder, and on the system he ruled for more than four decades. In the early twentieth century, Pyongyang earned the moniker "the Jerusalem of the East" for its remarkable concentration of Christian missionaries, churches, and schools. Although Kim was shaped by Confucian ideas from China and by Bolshevik ideology from Russia, Cheng argues that the most powerful influence on Kim during his formative years was Protestant Christianity. When in power, Kim systematically dismantled the church, yet he created a political system that mirrored Christianity's form and function. Kim's Ten Principles reflected the Ten Commandments; revolutionary songs echoed hymns; the regime cast Pyongyang as a paradise; and Kim portrayed himself as the nation's savior. Kim later supported inter-Korean religious dialogues and acknowledged his own immersion in Christianity while maintaining that he was never a believer. Ultimately, Cheng demonstrates that Kim appropriated, transformed, and embedded Christianity in the structure of North Korea's ostensibly secular state.

South Asia

PRATAP BHANU MEHTA

The Palimpsest Constitution: The Social Life of Constitutions in Myanmar
BY MELISSA CROUCH. Oxford University Press, 2026, 336 pp.

Crouch, a legal scholar, addresses an apparent contradiction in Myanmar's political history. Although the country (formerly known as Burma) has gone through long periods without a functioning constitution and endured decades of military rule, both its authoritarian leaders and the political opposition justify their decisions using the language of constitutionalism. Crouch resolves this paradox by arguing that Myanmar has a "palimpsest constitution"—in other words, a document whose previous clauses persist even as they are rewritten. Earlier constitutions and laws, Crouch writes, have remained in the country's collective memory and its social practices. To make her case, she draws on centuries of history, including the British colonial codification of Burmese law in the 1880s, the colonial-era Government of Burma Act of 1935, the 1947 constitution that paved the way for independence, the 1959 constitutional amendment that entrenched military authority, and the 2008 constitution that created a military-managed democracy. Crouch demonstrates that political actors of all kinds have selectively invoked these documents to bolster their claims. In doing so, she offers a compelling and sobering reminder that constitutional discourse can coexist with, and even sustain, repression.

Traders, Speculators, and Captains of Industry: How Capitalist Legitimacy Shaped Foreign Investment Policy in India
BY JASON JACKSON. Harvard University Press, 2025, 368 pp.

In this deeply researched work, Jackson challenges standard explanations for how India has sought to attract and channel foreign investment. Whereas most scholars believe these policies have been driven either by ideology or economic interests, Jackson argues that both forces have been at work. New Delhi, he writes, treats external investment differently depending on its purpose. It sees traditional trading capital—investment that goes to the sale of goods, speculation, and finance—as suspect, because it believes such capital is based on the unethical manipulation of markets. But it sees modern industrial capital—investment that goes to innovation, production, and technological advancement—as desirable. India's extensive system of regulations and state controls was thus never designed to reject capitalism. Instead, it was meant to deter the manipulation and speculation associated with traditional capital while fostering capital it viewed as productive. This explains why India allowed private and foreign investment even under the country's first prime minister, Jawaharlal Nehru, who championed a socialist and protectionist economic program. Jackson's argument is broadly compelling. Yet he does not address an important paradox. Despite New Delhi's moral hostility to investment oriented around speculation and manipulation, this type of capital dominates the Indian economy. This suggests that there is a gap between the state's normative aspirations and the structural realities of Indian capitalism.

The Jokowi Presidency: Indonesia's Decade of Authoritarian Revival
EDITED BY SANA JAFFREY AND EVE WARBURTON. ISEAS–Yusof Ishak Institute, 2025, 311 pp.

This volume of essays provides a compelling and balanced assessment of Joko Widodo's presidency in Indonesia. Widodo, popularly known as Jokowi, assumed office in 2014, amid widespread economic discontent. His outsider status and promise to disrupt the country's entrenched political networks made him immediately popular. But as these essays show, his tenure had a decidedly mixed effect. Widodo's ten-year rule saw impressive infrastructural transformation, low inflation, and popular welfare measures. But he did not fundamentally restructure the economy, and poverty reduction progressed more slowly than it had under his predecessors. Most notably, Indonesia's democracy suffered greatly. Widodo did make good on his promise to break up existing business and political networks. But he replaced them with new forms of cronyism, and his administration weakened anticorruption mechanisms. His government also cracked down on dissent and bolstered political allies while blocking many rivals from running for office. The volume thus tells a familiar and tragic story about how developing the state and the economy does not always help preserve democracy.

No Borders: Journeys Across Islands and Continents
BY WANG GUNGWU. World Scientific Publishing, 2026, 332 pp.

In this greatly engaging autobiography, Wang, a preeminent historian, tells the story of how his identity shaped his view of the world. Wang was born into the Chinese diaspora on the Indonesian island of Java in 1930, but he was largely raised in what is now Malaysia. His childhood was marked by upheaval. Schooled during the Japanese occupation of the Malay Peninsula, he moved with his family to China in 1947, but civil war soon forced them to flee. In his telling, the South China Sea became both bridge and barrier: a route to his ancestral civilization and a reminder of his lack of any real homeland. Wang has never been Chinese in a narrow nationalist sense, yet he has always been interested in—and considered himself part of—Chinese civilization. It is fitting, then, that his landmark studies of the Chinese diaspora, Southeast Asia, and modern China address what happens when cultural inheritance, political loyalty, and personal identity don't align. He reminds readers that the nation-state's rigid categories cannot capture people's identities.

Shattered Lands: Five Partitions and the Making of Modern Asia
BY SAM DALRYMPLE. Norton, 2026, 544 pp.

Dalrymple vividly recounts the disintegration of the British Indian empire through the five partitions that remade Asia. Until 1937, the British Raj was a single administrative entity stretching from Burma (now Myanmar) to the Red Sea. But Burma and Aden (now part of Yemen) were spun off into separate colonial units in 1937. The Gulf sheikhdoms gradually gained independence over the following ten years. And in 1947, Pakistan was divided from India in what became the bloodiest of all the partitions. The final partition happened 24 years later, when the eastern half of Pakistan violently split from the country's west and became Bangladesh. Dalrymple's book contains a hint of nostalgia, at times wistfully suggesting that the components of the Raj might have been able to persist as a union as they gained independence despite upsurges in nationalism. But the book admirably traces the human consequences of cartography. As they divided up their empire, the British drew borders with scant regard for ethnic realities. The result was the transformation of centuries-old syncretic societies into nationalistic ones, and subsequent mass displacement and slaughter.

Middle East

LISA ANDERSON

Worlds of Islam: A Global History
BY JAMES McDOUGALL. Basic Books, 2026, 608 pp.

In this stunningly ambitious and authoritative global history, McDougall paints a compelling picture of change, adaptation, and growth in Islam from its origins over a thousand years ago to its myriad expressions in today's digital age. McDougall, a historian, wears his erudition lightly, deftly linking debates across time and space in quick, accessible sketches of figures as varied as Central Asia's famed warlord Genghis Khan; the West African ruler Mansa Musa; the Chinese Muslim admiral Zheng He; Pakistan's founder, Mohammed Ali Jinnah; and the American civil rights leader Malcolm X. McDougall covers immense ground, offering novel perspectives on the Mongol capture of Baghdad in 1258, the French invasion of Algiers in the nineteenth century, the American occupation of the Philippines in the first half of the twentieth century, and the Aceh rebellion in Indonesia between 1976 and 2005. He delves into the worldwide Islamic revivalist movements of the eighteenth century and the local nationalisms of the twentieth. By the time McDougall critiques the notion still common in the twenty-first century that the world is divided into discrete civilizations, he has made the case for a profoundly nuanced picture of Islam, its faithful, and their communities.

Palestinians in Israel After the Arab Spring: The Political Impact of Regional Protest and Fragmentation
BY YUSRI HAZRAN KHAIZRAN AND MUHAMMAD KHALAILY. I.B. Tauris, 2025, 270 pp.

Khaizran and Khalaily, both lecturers at Israeli universities, observe that Palestinians in Israel are rarely studied in their own right. Instead, the community is often treated as a minor feature of Israeli national politics or an insignificant aspect of regional Palestinian or Arab politics. This book efficiently corrects this oversight, using public opinion polls and other data to reveal shifting political and social attitudes and perspectives among Palestinian citizens of Israel. The dramatic and disappointing collapse of the Arab uprisings of the early 2010s soured many Israeli Palestinians on identifying with Arab causes, while the alarming growth of extremist Islamist movements, such as the Islamic State, and of sectarian violence, particularly in Syria, accentuated divisions among Israel's Muslim, Christian, and Druze communities. As a result, younger Palestinians in Israel seem to be abandoning national-scale politics, both Arab and Israeli, altogether in favor of local-level efforts to improve living standards. This pragmatic focus on economic well-being feeds growing reliance on family and clan at the expense of explicitly political parties and movements. This trend may be more widespread in the region than the authors acknowledge, but they do a fine job of exploring its dimensions among a population too often overlooked.

Ruining Revolution: How International Islamist and Salafi Forces Have Held Libya Hostage Since 2011
BY INGA K. TRAUTHIG. Columbia University Press, 2025, 288 pp.

Hidden in this book about the malign role of militant Islamist movements in Libya after the fall of Muammar al-Qaddafi is a subtle and provocative argument about the relationship between ideology and political influence. Trauthig, a security studies scholar, compares the trajectories of two Islamist organizations: the Libyan Muslim Brotherhood and a group of quietist Salafists. These movements were caught unawares by the uprising against Qaddafi in 2011. Like its Egyptian counterpart, the Libyan Muslim Brotherhood tried to turn a political opportunity to its advantage, quickly creating a political party and demanding representation in the new government. Also like its Egyptian counterpart, it overplayed its hand, insisting on a political lustration law in 2013 that barred many experienced political figures from public life. That law contributed to the collapse of the very government the Brotherhood wanted to control. The Salafists, by contrast, eschewed formal politics, deferring to whoever was in power. They focused on providing local services, notably security, and in short order they controlled militias across the country, making themselves indispensable to all the contenders for power. Today, they may refuse to be kingmakers, but they are certainly well positioned to be spoilers, no matter which political faction ultimately prevails.

Egypt's New Authoritarian Republic
EDITED BY ROBERT SPRINGBORG AND ABDEL-FATTAH MADY.
Lynne Rienner, 2025, 313 pp.

In 2014, Defense Minister Abdel Fattah el-Sisi overthrew the elected president of Egypt, took off his military uniform, and claimed the presidential office for himself. In this well-documented volume, a group of distinguished Egypt watchers take stock of the past decade. Their assessment of Sisi's "new republic" is scathing. Arguing that the regime has forsaken the tools its predecessors deployed to soften autocracy and manage the country, the contributors describe a government in which the military substitutes for a mobilized political party, replaces the civilian bureaucracy, crowds out private entrepreneurs, and weakens social welfare organizations. Overstretched by these obligations, the military struggles to serve its ostensible primary purpose, effectively ceding control of much of the Sinai Peninsula to tribal militias and allowing intense Israeli surveillance, while forsaking supposed allies in Libya and Yemen.

With its leaders unable to articulate a new vision or strategy for the country, Egypt is reduced to begging for handouts from regional and international actors who deem it too feeble to be useful but too big to fail.

Enduring Hostility: The Making of America's Iran Policy

BY DALIA DASSA KAYE. Stanford University Press, 2025, 236 pp.

The Iranian Revolution embarrassed and humiliated U.S. President Jimmy Carter and contributed to his electoral defeat in 1980. President Ronald Reagan's attempt to fund the right-wing contra rebels in Nicaragua by selling arms to revolutionary Iran nearly capsized his presidency in the mid-1980s. Ever since, U.S. foreign-policy makers have seemed convinced that Iran is a toxic quagmire, or what Kaye calls an "abnormal state" impervious to conventional diplomacy and responsive only to coercion. The brief and tortured life of President Barack Obama's bid to limit Iran's nuclear program, a multinational 2015 agreement from which his successor, Donald Trump, withdrew three years later, illustrates the depth of Washington's skepticism and hostility. Kaye explores this history to try to understand why détente, which proved possible even with the Soviet Union, has been impossible to achieve with Iran. Her answers—inertia, risk aversion, and lobbying from domestic and foreign groups—paint a sorry picture of Washington's capacity to act in the national interest. From a U.S. security perspective, she argues, there has been "no rational reason" not to consider less costly and conceivably more effective policies of engagement.

Africa

ZACHARIAH MAMPILLY

Africa in the World's Time

BY MAMADOU DIOUF.
TRANSLATED BY JILL JARVIS.
Seagull Books, 2025, 120 pp.

Few parts of the world have histories as contested as Africa's. From early Arab historians' fantastical accounts to European colonists' racist misrepresentations, the effort to tell the story of African societies has been fraught with projections and outright fabrications. The celebrated Senegalese historian Mamadou Diouf critically appraises this historiographical battleground in this slim collection of essays. Focusing on colonial narratives and the efforts of African intellectuals to refute them, Diouf considers nationalist, Afrocentric, subaltern (or postcolonial), and other prominent efforts to dislodge the colonial gaze. In keeping with his interest in writing beyond the academy, he also turns his lens on seminal African novels and films to show how artists contribute to our understanding of the past. Some essays have an inside-baseball tone that may occasionally perplex nonspecialists, but this erudite and panoramic survey clarifies what's at stake in how Africa's story is told and who gets to tell it.

Mistaking Order for Anarchy: Territory, Mobility, and Security in the Sahel

BY CASEY MCNEILL. Stanford University Press, 2026, 192 pp.

In international relations theory, McNeill argues, Africa is often defined by what it supposedly lacks. This narrative of deficiency has enabled Western international relations scholars to exclude their African counterparts from defining core theoretical concepts and provided justifications for international interventions. The Sahel has been a particular target of peacekeeping missions over the past decade, most of which have had little success. In assessing political order in the Sahel, McNeill begins with nineteenth-century colonial efforts to replace diffuse and nonterritorial forms of order with more centralized authorities. The attempt to impose European models of governance coincided with efforts to create a modern international order based on territorial sovereignty. This history sets up a discussion of decolonization in the Sahel, where the ongoing insistence that territorial control was a precondition for order ignored the reality that leaders' ability to provide security had never depended on controlling territory; it relied instead on consolidating other forms of social relations, such as forging alliances with pastoral nomads. Finally, McNeill turns her attention to the contemporary crisis in Mali, showing how mistaken ideas about territory reinforced the misperception that the "ungoverned" Sahel needed foreign intervention.

Inland From Mombasa: East Africa and the Making of the Indian Ocean World

BY DAVID P. BRESNAHAN. University of California Press, 2024, 244 pp.

Throughout much of the twentieth century, the Indian Ocean world received scant attention compared with its Atlantic counterpart. This vast region spans 36 countries and hosts more than 30 percent of the world's population; its African, Arabian, and Asian coasts have been economically and culturally connected for centuries. But it was long viewed as politically insignificant and economically backward. Beginning in the 1980s, however, scholars such as the Zanzibari historian Abdul Sheriff recast the Indian Ocean as an influential and cosmopolitan arena. Increased geopolitical competition has driven more interest in the region, and its major port cities have drawn particular attention. Bresnahan's important contribution extends this scholarship into the interior, which has often been dismissed as a mere source of goods for trade. His consideration of the Mijikenda—Bantu communities in Kenya and Tanzania often contrasted unfavorably with the Swahili—reveals that peoples of the interior were far more important to Indian Ocean trade and politics than is frequently assumed. Drawing on sophisticated linguistic techniques, he casts them as a "mirror" people and shows that many of their practices (such as eschewing both urbanization and Islam) were intentional strategies to preserve cultural attributes.

Sovereignty in Exile: A Saharan Liberation Movement Governs
BY ALICE WILSON. University of Pennsylvania Press, 2025, 312 pp.

In this fascinating text, Wilson, an anthropologist, examines life in the refugee camps controlled by Western Saharan separatists. Although the book was first published in 2016, its paperback edition, released last year, offers important insights for the escalating competition for minerals—Western Sahara, along with Morocco, is home to the world's largest deposit of phosphates, a critical material for rechargeable battery technology. Western Sahara is often called "Africa's last colony": Morocco occupied the 100,000 square miles of desert in 1975 following Spain's withdrawal. With a population of just above half a million, it is among the least densely populated places on earth. Yet for 50 years, the Polisario Front has waged a war to push Morocco out and create an independent republic for the indigenous Sahrawi people. The violence of this protracted struggle has driven most Sahrawis into refugee camps in Algeria; the Algerian government has granted the Polisario control over the camps in exchange for leverage in its long competition with Morocco for regional hegemony. Using extensive field research, Wilson depicts in fine-grained detail how ordinary camp dwellers navigate the daily uncertainty of living in a situation of contested sovereignty. And she shows how the Polisario has already established a kind of state in the settlements, drawing on aid and complex arrangements with Sahrawi tribes.

Africonomics: A History of Western Ignorance
BRONWEN EVERILL. New Press, 2025, 320 pp.

Although its title may lead readers to expect an account of African contributions to economics, *Africonomics* instead provides an enlightening history of European attempts to apply economic theory to Africa. Wisely avoiding highly technical discussions, Everill instead looks to the people behind theories of Africans' economic behavior and how these theories were misapplied during the colonial and postcolonial periods. Each chapter begins with a quick profile of a European arriving in Africa and confronting a problem—such as how to abolish slavery, improve agricultural productivity, or establish credit—that the European then seeks to resolve by applying an economic theory. Everill acknowledges that these efforts were often well meaning, but she argues that colonial racial bias produced bad economic theories as well as poor policy choices. Although its casual tone can occasionally verge on clunky, the book provides an accessible overview of how ideas shape policy, often to the detriment of the societies involved.

Eastern Europe and Former Soviet Republics

MARIA LIPMAN

Motherland: A Feminist History of Modern Russia, From Revolution to Autocracy
BY JULIA IOFFE. Ecco, 2025, 512 pp.

In this impassioned history of Soviet and post-Soviet Russia, as seen through the lives of women, Ioffe weaves together secondary historical sources, her Jewish family memories, and her experience as an American reporter in Russia. While celebrating the indomitable women of the Bolshevik Revolution and the heroic female snipers of World War II, Ioffe decries the Bolsheviks' abandonment of feminist ideals, which left generations of Soviet women suffering under the "double burden" of full-time employment and household responsibility. Ioffe mourns her Jewish ancestors who perished in pogroms during the Russian Civil War and under Nazi occupation. And she lovingly portrays her family's survivors and their descendants, including four generations of female doctors. A few somewhat gossipy sections describe the wives of Soviet state leaders; another is devoted to modern-day provincial fortune hunters whose sole ambition is to find "men—as husbands, as sugar daddies, as inseminators." But Ioffe barely mentions those Russian women who, after the fall of the Soviet Union, took advantage of new opportunities and built remarkable careers in business, finance, art, culture, academia, journalism, and politics.

Swap: A Secret History of the New Cold War
BY DREW HINSHAW AND JOE PARKINSON. Harper, 2025, 304 pp.

On August 1, 2024, Russia and the United States carried out a unique prisoner exchange in Turkey involving 24 captives. In a virtuoso work of investigative journalism, two *Wall Street Journal* reporters chronicle the months of secret negotiations behind the exchange, which involved the presidents of Russia and the United States, top intelligence officials, and others. The Kremlin, eager to secure the release of a government-linked hit man serving a life sentence in Germany and other Russian convicts, had imprisoned several Americans on trumped-up charges to use them as trading chips. The most prominent of these was the authors' colleague Evan Gershkovich, who had been detained on charges of espionage in 2023. In response, the United States developed a strategy to "enlarge the problem." It added the release of Alexei Navalny and several other Russian political prisoners to its demands and strengthened its offer by persuading the governments of Norway, Poland, and Slovenia to include Russian spies held in their jurisdictions. Navalny's murder in February 2024 in a Siberian penal colony nearly derailed the deal, but the final swap took place nonetheless.

The Oak and the Larch: A Forest History of Russia and Its Empires
BY SOPHIE PINKHAM.
Norton, 2026, 304 pp.

Pinkham, an academic and writer, creates an enthralling portrait of Russia through its forests, artfully combining environmental and cultural history, folklore, literature, and much more. She describes forests as hiding places for fugitives of various times, including escaped serfs, convicts, religious dissidents, and draft dodgers. For centuries, forests offered Russians protection against Turkic and Mongol invaders. In the nineteenth century, in wars fought in the North Caucasus, forests became sources of danger, as they provided cover for local warriors fiercely resisting Russian attempts to conquer their territories. Late in that same century, Leo Tolstoy became an obsessive tree planter, partly as a way to exculpate himself for the sins of his youth. During World War II, Soviet partisans relied on forests as bases from which to attack Nazi invaders. The 1960s gave rise to Village Prose, a literary movement that lamented the predatory exploitation of the natural world, idealized the traditional Russian village life, and often slid into Russian chauvinism. And in 1991, in the silence of the Belarusian Belovezhskaya Forest, leaders decided to dissolve the Soviet Union.

Exodus-22
BY LINOR GORALIK. TRANSLATED BY AINSLEY MORSE, DANIELA MAKSIN, LEONARD VOLCHEK, VENYA GUSHCHIN, AND YASHA KLOTS.
Tamizdat Project, 2025, 252 pp.

In the spring of 2022, Goralik—an Israeli Russian author, poet, and artist—spoke with hundreds of Russians in Armenia, Georgia, Israel, and Turkey who had left their country following Russia's full-scale invasion of Ukraine. In this poignant book, they speak to Goralik about their sense of dislocation in new, not always hospitable settings, and they grapple with searching questions about what constitutes a motherland. Most of the émigrés are educated professionals who left behind good jobs and comfortable lives in Moscow or St. Petersburg. Many also left behind elderly parents, some of whom condemned their children's decision to leave. Certain themes emerge out of Goralik's many conversations, including the exiles' marveling at the flow of mutual aid among their compatriots, a solidarity they had not expected. Many describe experiencing an "internal horror" as everyday routines lose their meaning in the face of an entirely uncertain future. Others confess that they keep private diaries rather than post on social media, believing it inappropriate to share personal thoughts and emotions "when everything should be about the war."

AIDS in Soviet Russia: A Story of Deception, Despair, and Hope
BY RUSTAM ALEXANDER.
Manchester University Press, 2026,
240 pp.

Alexander's straightforward narrative, largely based on Soviet press coverage, chronicles the spread of AIDS in the Soviet Union from the late 1980s, when the first cases of HIV infection were registered, up to the country's dissolution in 1991. The state's initial failure to acknowledge the epidemic, although not unique to the Soviet Union, was exacerbated by the government's lack of transparency and by laws that criminalized homosexuality. Unlike in the United States and Europe, where infections occurred predominantly through sexual contact, a substantial share of infections in the Soviet Union happened through injection drug use and intrahospital transmission resulting from a near-total lack of disposable syringes and blood transfusion systems. Toward the end of perestroika, a space opened up for public initiatives. Gradually, the combined efforts of progressive Soviet doctors, journalists, and gay activists—with significant support from foreign civil society groups—helped improve the state's response to AIDS. Since the start of the war in Ukraine, the Russian army has seen a sharp rise in HIV infections, but this development falls outside the scope of Alexander's book.

Western Europe

ANDREW MORAVCSIK

New Labour, New Britain? How the Blair Governments Reshaped the Country
BY GLEN O'HARA. Manchester University Press, 2026, 296 pp.

Tony Blair became the United Kingdom's prime minister in 1997 on the back of "Third Way" reforms that promised wealthier Britons deregulation and moderation while still protecting their working-class compatriots. Three decades later, in a more polarized era, Blair's reputation is tarnished. Many leftists today dismiss him as a doctrinaire neoliberal whose reforms were cosmetic or even counterproductive. Many on the right criticize him as a cosmopolitan urbanite who betrayed British identity and sovereignty. And across the political spectrum, he has never been forgiven for making the deeply unpopular decision to have the United Kingdom join the U.S. invasion of Iraq in 2003. But O'Hara, a historian, offers a balanced and meticulously researched reassessment of Blair's domestic legacy and reaches more charitable judgments. In one area after another, he finds that the Blair government presided over significant improvements in working people's quality of life. Crime receded, homelessness plummeted, housing stock expanded, immigration reform advanced, and investment poured into medical services, education, and childcare. Polls recorded greater trust in government and public services, and the multiclass Labour coalition remained intact. If he and his successors lacked the power to resist pressures from the finance sector and saw many of their achievements undone by Tory successors, it was not their fault.

Scenes From a Roman Century, 1924–2024

BY DAVID LANE. Hurst, 2025, 280 pp.

This notable addition to the tradition of insightful writing about Italy by British expats takes the form of a set of love letters to Rome—a city obsessed with its own history. The book contains vignettes on seven defining cultural and political events over the past century. Assassinations punctuate the story: fascist killings of leftists in Mussolini's early years, urban warfare during World War II, mafiosi and terrorist killings in the late twentieth century. Two chapters trace the city's deindustrialization and its evolution from a place where one could find peace (and a family-run bar) amid ancient ruins to one characterized by inauthentic food, long admission lines, and multilingual mayhem of a tourist hotbed. The author's half century as a leading business journalist in the city tinges his descriptions with nostalgia. One learns which bars and filming locations were preferred in Rome's heyday as a cinematic capital, and why Baretta pistols were the weapons of choice for police and terrorists alike. A subtle and sweet read for anyone who loves this city.

Insecurity Politics: How Unstable Lives Lead to Populist Support

BY LORENZA ANTONUCCI. Princeton University Press, 2026, 224 pp.

This book argues that the rise of workplace and financial insecurity across Europe explains the recent gains of populist parties on both the left and the right. Antonucci, a sociologist, uses new measures and data to confirm two decades of research showing that globalization, technological change, and austerity undermine socioeconomic stability and social well-being, in turn boosting support for populist parties. The author also shows that populist voters are not, as commonly assumed, socially isolated people. Although the author correctly argues that this finding is entirely consistent with the rise of populist parties on the far left and their calls for more concerted EU social policy, this evidence does not explain why voters are flocking in greater numbers to far-right populist parties—many of which have advanced astonishingly regressive taxation and budgetary programs and hold stridently anti-EU views. Antonucci does not satisfactorily answer the question of why economic discontent pushes voters to the far right.

Lithuania: A History

BY RICHARD BUTTERWICK. Oxford University Press, 2025, 488 pp.

This is the best history of Lithuania in the English language, suitable for travelers and scholars alike. It narrates the emergence of a self-conscious and stable Lithuanian state out of unlikely elements. Although the Lithuanian language is among the oldest and most idiosyncratic in Europe—related only to Latvian—the country was long multiethnic. Around 1400, its king, the last pagan leader in Europe, converted to Catholicism and all but fused Lithuania with Poland. In 1918, Lithuania briefly gained a precarious independence not just from Poland but from Bolshevik Russia, only to lose it again to Nazi Germany and then Stalin's Soviet Union. As late as 1990, Soviet leader Mikhail Gorbachev answered Lithuanian demands for autonomy by sending tanks into Vilnius and slaughtering civilians. Only the improbable mix of mass peaceful protest, pressure from the U.S. Congress, and Russian President Boris Yeltsin's stand against a hard-line coup in Moscow made independence possible that year. Today, Lithuania is demographically sluggish yet economically vibrant, unreligious, welfarist, and firmly in the EU. Yet even this peaceful achievement remains precarious: Lithuanians fear that if Russian President Vladimir Putin prevails in Ukraine, their country will be next.

The New Politics of Nationalism in Contemporary Europe
EDITED BY GREGORY C. BALDI. Agenda Publishing, 2025, 240 pp.

This book examines a striking yet unexpected development in Europe in recent decades: the resurgence of nationalism at a time when the continent has become in most respects more integrated and cosmopolitan. That resurgence has taken diverse forms and poses varied challenges. Nationalism powers right-wing populist parties in countries such as France and Poland, as well as regional, often left-wing parties in places such as Catalonia and Scotland. The contributors to this thoughtful volume view the tendency in many societies to construct culturally distinct groups as a major problem. The conflict between extreme Russian nationalism and its more moderate Ukrainian variant has ultimately led to war. In Poland and Serbia, right-wing nationalist discourse is increasingly directed against the secular and tolerant EU. In Spain, an antifederalist far right, represented by the populist party Vox, is pitted against Catalan nationalists. In the United Kingdom, various nationalisms—English, Irish, Scottish, and Welsh—vie for attention. Almost everywhere, these trends have upset stable political coalitions and arrangements.

Western Hemisphere

RICHARD FEINBERG

Elbows Up! Canadian Voices of Resilience and Resistance
EDITED BY ELAMIN ABDELMAHMOUD. McClelland & Stewart, 2025, 312 pp.

In this timely collection of essays, 30 Canadian literary luminaries (some with dual U.S.-Canadian citizenship) express their outrage at U.S. President Donald Trump's threats to make their proud nation the 51st state. Canadians have long feared commercial and cultural domination by the United States, even as many talented Canadians have found success in Hollywood and New York. But their anger today—their sense of betrayal, grief, frustration—runs deeper. The contributors worry that their immensely more powerful neighbor is plotting to violate their national sovereignty, squeeze their economy, and seize control of their bountiful natural resources. Some of the authors imagine that, eventually, a culturally hegemonic United States could gradually dilute Canada's commitments to social justice, universal health care, quality public schools, and environmental stewardship. Confronting an existential menace, defiant Canadians are going "elbows up"—a muscular, defensive stance taken by ice hockey players.

The Fate of the Americas: The Cuban Missile Crisis and the Hemispheric Cold War

BY RENATA KELLER. University of North Carolina Press, 2025, 332 pp.

In 1962, Soviet Premier Nikita Khrushchev surreptitiously installed nuclear-tipped missiles in Cuba, which was ruled by his youthful new ally, Fidel Castro. In engaging prose, Keller reviews the well-documented record of U.S. and Soviet decision-making during the Cuban missile crisis and then considers the reactions of other governments in the region. Her extensive research in Latin American archives sheds new light on the thoughts and actions of presidents, foreign ministers, and civil society leaders as they grappled with the elusive concepts of sovereign authority, national security, and hemispheric solidarity. Ultimately, the crisis drew the Kennedy administration closer to Argentina, Bolivia, and Mexico, but Washington soured on Brazil's civilian leadership after it took a somewhat ambiguous position. Diplomatically, the crisis generated an unusual degree of hemispheric solidarity. The Organization of American States unanimously supported the U.S.-led naval quarantine around Cuba. Five years later, all the countries of Latin America except Cuba signed the Treaty of Tlatelolco, which established the region as the first nuclear-weapons-free zone in the world.

The Struggle for the Market: Life and Hustle in Cuba's New Economy

BY STALE WIG. University of Pennsylvania Press, 2025, 224 pp.

In this highly readable ethnographic study, Wig, a Norwegian researcher, burrows deeply into the shadowy world of Havana's small businesses—such as retail traders, street vendors, and taxi drivers. Some of the businesses he examines are legal; others operate informally, without official licenses. Wig sides neither with Cuban analysts who have portrayed private enterprise as threatening social solidarity nor with those who describe the market and the state as entirely separate spheres. Rather, he finds that the Cuban state and market overlap in a myriad of ways. Bucking conventional wisdom, he interprets the country's economic reforms of the 2010s not as liberalization but as legalization—as an effort by the state to increase its control over market behavior through a maze of new regulations, inspections, and taxations. These state interventions ultimately stymied individual initiative and economic growth. Fed up with government overreach and economic failure, most Cubans no longer identify with the 1959 revolution. Instead, Wig finds, the state, formerly a social unifier, has become an antagonist. The tragic result: a massive exodus of young Cubans seeking opportunities overseas.

Latin American Exports to China: Local Experiences and Challenges
EDITED BY ENRIQUE DUSSEL PETERS. Academic Network for Latin America and the Caribbean on China, 2025, 311 pp.

China's commerce with South America has grown exponentially since 2000, to the dismay of successive U.S. administrations. This stimulating, if uneven, collection of country studies by local experts finds important variations in Beijing's strategies and their outcomes. In Venezuela, Chinese loans-for-oil programs and investments have yielded enormous corruption and crippling debts. In Chile, which has a bilateral free trade agreement with China, local cherry producers have timed their harvests to serve the Chinese Lunar New Year, when celebrants give each other cherries as symbols of prosperity and joy. In Brazil, Chinese investments in the booming petroleum sector have contributed to the country's impressive trade surplus with Beijing. Chinese imports of Peruvian copper, Argentine soybeans, and Ecuadorean shrimp have also skyrocketed. The authors examine the impacts of these growing businesses on subregions, such as the state of Rio de Janeiro and the Argentine Pampas, where Chinese investment has created jobs and generated tax revenue while also damaging the environment.

Cocaine: The Global Reach of the World's Most Lucrative Illicit Drug
EDITED BY SEBASTIÁN A. CUTRONA AND JONATHAN D. ROSEN. University of New Mexico Press, 2025, 352 pp.

As the contributors to this comprehensive volume document, the cocaine trade has in recent years expanded worldwide, reaching beyond its traditional consumer base in the United States to Europe, Africa, and, to a lesser degree, Asia. Decades of pressure from the United States has not eradicated the business of growing coca leaves and manufacturing cocaine in Latin America. Rather, the trade has spread to ever more countries in the region, including Bolivia, Colombia, Ecuador, Mexico, Peru, and Venezuela. One lesson for policymakers is clear: shutting down shipment routes in one setting—say, the Caribbean Sea—will only force nimble drug traffickers to find new routes. Spectacular law enforcement actions, such as killing or extraditing drug kingpins, have fragmented but not shrunk the lucrative business, which is estimated to exceed $100 billion a year. One contributor notes that cocaine is much less lethal and addictive than heroin or synthetic opioids such as fentanyl—and questions why the United States has dedicated disproportionate drug-control resources to suppressing it.

The United States

JESSICA T. MATHEWS

Furious Minds: The Making of the MAGA New Right
BY LAURA K. FIELD. Princeton University Press, 2025, 432 pp.

This serious work of political theory introduces the people and ideas that have transformed American conservatism from an ideology that backed free trade, internationalism, and social traditionalism into increasingly radical populism (America First economics, isolationism, opposition to immigration). Field identifies three intellectual camps in the MAGA movement. Based at the Claremont Institute, the heirs to the midcentury German American philosopher Leo Strauss idealize a tale of the American founding that emphasizes seizing power and embodying virtue rather than seeking freedom. The postliberals argue that executive power should be used to pursue a religiously inspired (primarily Catholic) notion of the common good instead of advancing the well-being of individuals. The national conservatives argue that nations, defined by a single dominant culture (white, male, usually Christian), are the rightful foundation of identity. Diversity can be sought between nations, not within them. The volume invites a deeper understanding of the ideas and grievances that U.S. President Donald Trump has used in his rise to power than can be gleaned from polls or even election results.

Law and Order Leviathan: America's Extraordinary Regime of Policing and Punishment
BY DAVID GARLAND. Princeton University Press, 2025, 232 pp.

Crime and No Punishment: Wealth, Power, and Violence in America
BY MARIE GOTTSCHALK. Princeton University Press, 2025, 616 pp.

Two new books provide devastating portraits of a sad aspect of American exceptionalism: its anomalous approach to crime and punishment. Extensively comparing data across societies, Garland shows that by almost every metric—such as the number of people killed by police and the length of prison sentences—the United States lies shockingly far outside the norm of other developed countries. It incarcerates more than five times the proportion of its people that Canada and Western European countries do. Seventy-three percent of American felons receive prison sentences compared with six percent in Germany. Garland argues that neither racism nor a peculiarly punitive culture is to blame. Instead, since the 1960s, deindustrialization, the weakening of urban and social welfare policies, the concomitant growth of corporate power, and easy access to guns have made the United States the wealthy world's most unequal and most violent country. Ultimately, the precariousness of most Americans' lives accounts for the country's pervasive violence. The fact that U.S. police are "underpaid, undertrained, underqualified, and not accountable," as Garland put it in an interview about the book, only adds to the nightmare.

Gottschalk attributes the sources of American violence to many of the same structural conditions, but her lens is much wider. She draws an intimate connection between violent street crime and the militarization of the state, as well as to an increasingly unequal justice system that protects "crime in the suites." To blame violence and the declining legitimacy of American institutions on U.S. President Donald Trump's deplorable character traits and contempt for democracy, she argues, obscures how, for decades, the U.S. government's economic, military, and legal policies made a growing number of Americans feel that their government—and their society overall—saw no value in them. Her aim in this wide-ranging volume is to make the case that the United States must think about "crime, violence, punishment, power, wealth, and inequality" as a unit.

The Trillion Dollar War Machine: How Runaway Military Spending Drives America Into Foreign Wars and Bankrupts Us at Home
BY WILLIAM D. HARTUNG AND BEN FREEMAN. Bold Type Books, 2025, 336 pp.

This fiscal year, the United States' defense budget surpassed $1 trillion for the first time. That vast sum accounts for well over half of federal discretionary spending and exceeds what the next eight largest spenders (including China and Russia) pay for defense combined. Yet U.S. President Donald Trump opened 2026 by calling for a 50 percent increase in defense spending. Numerous studies have shown that much of this spending does not buy weapons and forces that actually make the country safer, that the Pentagon routinely cannot account for the dollars it spends, and that overhead costs lead to extraordinary waste. Hartung and Freeman cover these familiar problems, but they focus on the far less frequently examined economic and cultural forces that drive defense spending inexorably higher—the "machine" of their title. These drivers include the horde of defense lobbyists swarming Congress, but also the less well-known relationships between the Pentagon and Hollywood, the media, the gaming industry, and local police forces that buy gear designed for overseas wars at steeply discounted prices. The book suggests plausible steps that would slow the machine's progress, such as campaign finance reform and a foreign policy less reliant on the use of force, but they remain, alas, remote.

Every Screen on the Planet: The War Over TikTok
BY EMILY BAKER-WHITE. Norton, 2025, 368 pp.

Since its launch in 2016, TikTok's meteoric growth has brought the Chinese app to a billion people worldwide. Forty percent of Americans use it regularly, and 20 percent of U.S. adults turn to it for news. As its use spread, Beijing and Washington wrestled over how TikTok censors news, the extent to which the Chinese government accesses U.S. users' data, and whether Beijing uses the app to influence American public opinion. Baker-White closely followed the lengthy struggle as a *Forbes* investigative reporter and narrates its ins and outs in highly readable detail. Seemingly overnight, she writes, U.S. politicians confronted a technology that seemed to have become "too big to ban and too big not to ban." After ByteDance, the app's parent company, made a failed effort to separate TikTok's U.S. operations and data from Beijing's control, in 2024 Congress finally required TikTok to divest its American operations. But U.S. President Donald Trump refused to enforce the law for another year. In January 2026, after this book was published, a deal was struck to give 80 percent of the app's ownership to U.S. and global investors, but many questions remain about who will actually control its operations. 🌍

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THE ARCHIVE

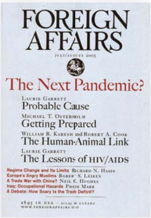
July/August 2005

“Regime Change and Its Limits”

RICHARD HAASS

Two years after U.S. President George W. Bush ordered the invasion of Iraq in an attempt at regime change, Richard Haass, then president of the Council on Foreign Relations, took to these pages to assess the wisdom of such operations. Regime change is “less distasteful than diplomacy and less dangerous than living with new nuclear states,” wrote Haass, who had opposed the invasion as a senior State Department official in Bush’s administration. The problem, however, is that regime change “is highly unlikely to have the desired effect soon enough.”

Toppling Saddam Hussein was easy compared with putting in place a new Iraqi government that could run a secure, viable country. Although the Iraq venture was made far more expensive and difficult than necessary by Washington’s poor planning and questionable decisions, it is possible it would not have gone more smoothly even had Iraq’s occupation been approached differently. And occupations elsewhere will not be much easier. The rise of nationalism, together with globalization (and the increased availability of powerful means of resistance), may have doomed prolonged occupations of foreign countries by sharply increasing their human, military, and economic costs.



FOREIGN AFFAIRS

JULY/AUGUST 2005

The Next Pandemic?

LAURIE GARRETT
Probable Cause

MICHAEL T. OSTERHOLM
Getting Prepared

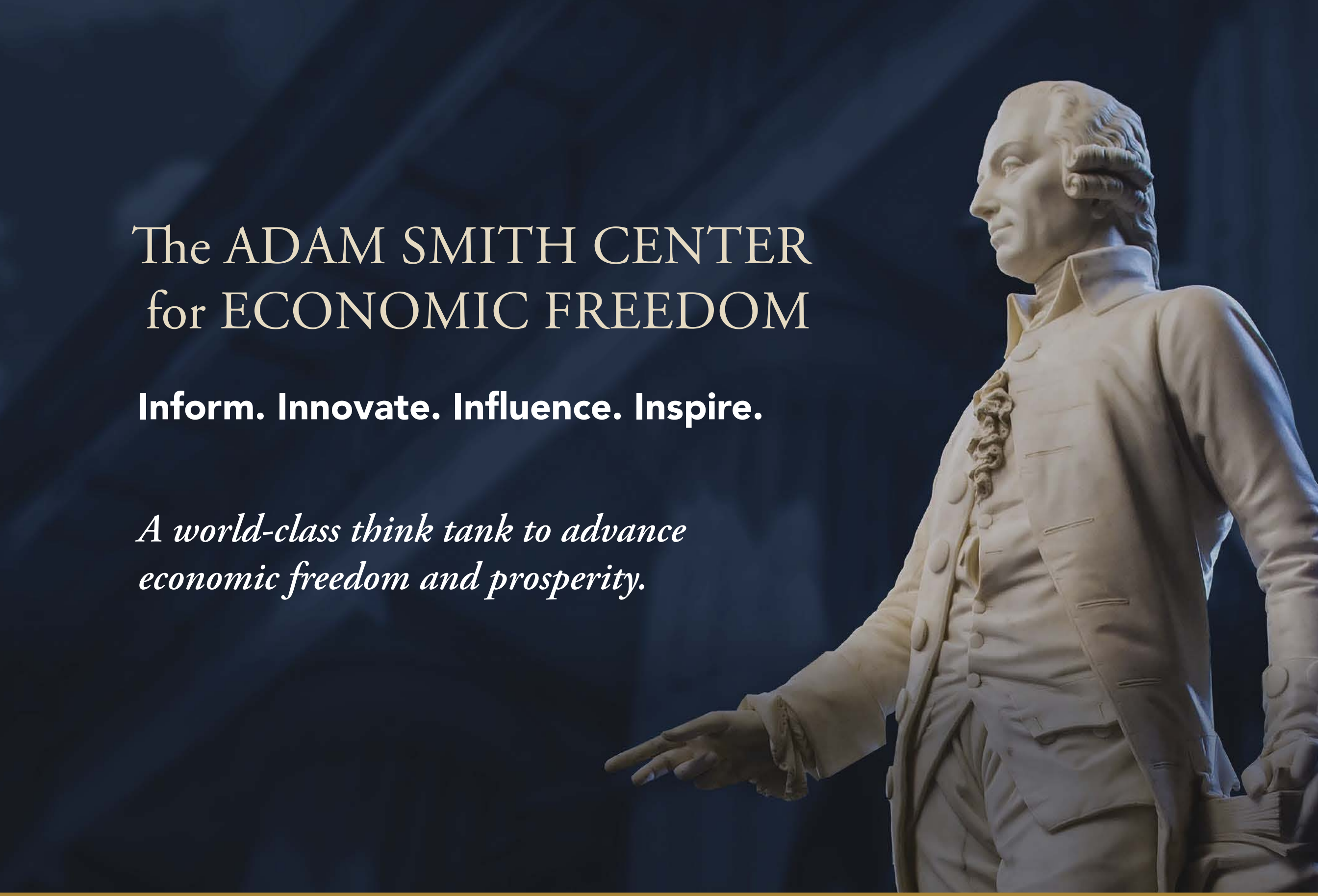
WILLIAM B. KARESH and ROBERT A. COOK
The Human-Animal Link

LAURIE GARRETT
The Lessons of HIV/AIDS

Regime Change and Its Limits RICHARD N. HAASS
Europe’s Angry Muslims ROBERT S. LEIKEN
A Trade War with China? NEIL C. HUGHES
Iraq: Occupational Hazards PHEBE MARR
A Debate: How Scary Is the Trade Deficit?

Indeed, the uncertainties surrounding regime change make it an unreliable approach for dealing with specific problems such as a nuclear weapons program in an unfriendly state. Neither North Korea nor Iran appears to be on the brink of dramatic domestic change. A decade ago, many believed that North Korea was near collapse, yet the regime still stands, and it may persist for years more, notwithstanding North Korea’s impoverishment, its cruel and eccentric leadership, and its utter lack of freedom. Iran, too, is unlikely to throw off its current clerical leaders, despite their unpopularity. Even if these assessments ultimately prove incorrect, regime change cannot be counted on to come quickly enough to remove the nuclear threats now posed by these countries.

Unless, that is, the United States is prepared to invade them. 🌍



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